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City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA
94102-4689

Clerk: Mary Red

Wednesday, September 15, 1999 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 10:03 A.M.

REGULAR AGENDA

991426 **[San Francisco Swim Center Feasibility Study]**

Supervisors Yee, Bierman

Resolution urging the Recreation and Park Department to perform a feasibility study of a San Francisco Swim Center at Larsen Park.

7/19/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Joel Robinson, Acting General Manager, Recreation and Park Department; Supervisor Ammiano. In Support: Dick Alan; Norman Gong; Bud Wilson; Louise Snowden; Art Octavio, Manager, Sava Pool; Ann Curtis; Ben L. Hom; Ch Chooi Eng Grosso; Hans Hanson; Ron Dudum; Mathew Roberto.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991537 **[Appropriation, S.F. Unified School District]**

Ordinance appropriating $60,713,766, San Francisco Unified School District, of school Bond proceeds for capital improvement projects on various school facilities, cost of issuance, and other related costs for fiscal year 1999-2000. (Controller)

8/4/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tim Tronson, S.F. Unified School District; Supervisor Yee; Supervisor Ammiano; Laura, Opshal, Mayor's Office; Ed Harrington, Controller. Continued to September 29, 1999.

CONTINUED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991490 **[MOU Amendment No. 1, Teamsters Local 856 Supervising Nurses full retirement contribution]**

Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Teamsters, Local 856 and the City and County of San Francisco for Supervising Nurses for the period July 1, 1998 through June 30, 2001 providing that all covered employees be placed into full retirement contribution status effective July 1, 1998 following approval of this ordinance. (Department of Human Resources)

(Fiscal impact.)

7/28/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Employee Relations Division, Department of Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991491 **[MOU Amendment No. 1, SEIU, Local 790 Staff and Per Diem Nurses full retirement contribution]**

Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between SEIU, Local 790 and the City and County of San Francisco for Staff Nurse and Per Diem Nurses for the period July 1, 1997 through June 30, 2000 providing that all covered employees be placed into full retirement contribution status effective July 1, 1998 following approval of this ordinance. (Department of Human Resources)

(Fiscal impact.)

7/28/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alice Villagomez, Employee Relations Division, Department of Human Resources.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991146 **[Discrimination Based on Perception, Association or Retaliation]**

Supervisor Ammiano

Ordinance amending Administrative Code Chapter 12A by amending Sections 12A.1, 12A.5, and 12A.8, Chapter 12B by amending Sections 12B.1 and 12B.2, Chapter 12C by amending Sections 12C.1 and 12C.3, and amending Police Code Article 33 by amending Sections 3303, 3304 and 3305 to prohibit discrimination based on fact or perception, discrimination based on association with members of protected classes of persons or retaliation for opposition to discrimination.

(Amends Administrative Code Chapter 12A Sections 12A.1, 12A.5 and 12A.8; Chapter 12B Sections 12B.1 and 12B.2; Chapter 12C Sections 12C.1 and 12C.3; amends Police Code Article 33 Sections 3303, 3304 and 3305.)

6/7/99, ASSIGNED UNDER 30 DAY RULE to Housing and Social Policy Committee, expires on 7/7/1999.

8/12/99, TRANSFERRED to Finance and Labor Committee. Request to consider this matter on September 15, 1999

Heard in Committee. Speakers: Supervisor Ammiano; Supervisor Yee. In Support: Cynthia Goldstein, Human Rights Commission; Kevin Buggy; John Siracusa.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991625 **[Annual Appropriation Ordinance Amendment - Art Commission]**

Ordinance amending the Annual Appropriation Ordinance for fiscal year 1999-2000, File Number 99-1052, Ordinance Number 208-99, adjusting appropriations to meet the requirements of the Art Commission pursuant to Charter Section 16.106. (Controller)

8/18/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991626 **[Tax Rate Setting - City and County of San Francisco]**

Ordinance providing revenue and levying taxes for City and County purposes and establishing pass-through for residential tenants pursuant to Chapter 37 of the Administrative Code for the fiscal year ending June 30, 2000. (Controller)

8/18/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991627 **[Tax Rate Setting - S.F. Unified School District]**

Ordinance providing revenue and levying taxes for San Francisco Unified School District purposes for the fiscal year ending June 30, 2000. (Controller)

8/18/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991628 **[Tax Rate Setting - S.F. Community College District]**

Ordinance providing revenue and levying taxes for San Francisco Community College District purposes for the fiscal year ending June 30, 2000. (Controller)

8/18/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991644 **[1999 Finance Corporation Equipment Lease]**

Mayor

Resolution approving the form of and authorizing execution and delivery by the City and County of San Francisco of an Equipment Lease Supplement No. 8 between the City and County of San Francisco Finance Corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to equipment to be used for City purposes, a related certificate of approval and a continuing disclosure certificate; approving the issuance of Lease Revenue Bonds by said nonprofit corporation in an amount not to exceed $9,800,000; providing for reimbursement to the City of certain City expenditures incurred prior to the issuance of Lease Revenue Bonds; and approving for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

(Fiscal impact.)

8/23/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Continued to September 22, 1999.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991579 **[Sewer Replacement, Polk Street]**

Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Polk Street from Washington Street to Clay Street - $120,366. (Public Utilities Commission)

8/12/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Boon Lim, Construction Management, Public Utilities Commission; Supervisor Yee; Norman Chan, Project Manager, Department of Public Works

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991593 **[Single Family Mortgage Revenue Refunding Bonds, Drawdown Series 1999]**

Supervisor Bierman

Resolution authorizing the issuance, sale and delivery of City and County of San Francisco Single Family Mortgage Revenue Refunding Bonds, Drawdown Series 1999, in an aggregate principal amount not to exceed $25,000,000; authorizing the execution and delivery of a trust indenture and a bond purchase contract; providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

8/16/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Joe LaTorre, Mayor's Office of Housing.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution authorizing the issuance, sale and delivery of City and County of San Francisco Single Family Mortgage Revenue Refunding Bonds, Drawdown Series 1999, in an aggregate principal amount not to exceed $25,000,000; authorizing the execution and delivery of a trust indenture and a purchase contract; providing for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

SPECIAL ORDER AT 11:00 A.M.

991612 [Federal Bureau of Investigation's Probe of Awarding of City Contracts to Minority Owned Businesses]
Supervisors Ammiano, Yee

Hearing to consider the Federal Bureau of Investigation's probe of awarding City contracts to minority owned businesses.

8/16/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Dennis Aftergut, Chief Assistant City Attorney; Supervisor Bierman; Supervisor Becerril; Supervisor Yee; Agar Jakes, Human Rights Commission; Romulus Asenloo, Human Rights Commission; Peter Nardoza, Airport; Douglas Wong, Executive Director, Port; James Morales, Executive Director, Redevelopment Agency; Mark Primeau, Director, Department of Public Works; Ronnie Davis, Executive Director, Housing Authority; Willie Ratcliffe, African American Contractors of S.F. ; Gerald Johnson, Small Business Exchange; Jack Williams; Bill Greene, operating engineers; Beth Arron, BABCA; Rae Harrison; Helen Marte-Bautista; Alice Bulos; Jimmie Potts; Harry Jamerson; Stan Smith, S.F. Building Trades Council; Ali Altaha; Larry Edman; Ena Aguirre; Girard McKinney; Nate Mason, Executive Director, Economic Opportunity Council; Harold Yee, Asian, Inc.; Beth Youhn, Local 3/crane operator; Harry Baker, Local 790; Steve Kawa, Mayor's Office; Ted Lakey, Deputy City Attorney.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991561 [MBE/WBE/LBE Program]
Supervisor Yee

Hearing to consider the June 1, 1999 Quarterly Report to the Mayor and the Board of Supervisors on Chapter 12D of the San Francisco Administrative Code - the 1997-1999 Investigation Into Minority/Women Business Participation in City Contracting.

8/9/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Yee; Beth Arron; Ed Tong, Asian, Inc.; Bill Greene; Willie Ratcliffe; Ena Aguirre; Oren Sellstrom, Lawyer's Guild; Jack Williams; Agar Jakes. Continued to September 22, 1999.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 1:43 P.M.

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/99

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 10, 1999

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: September 15, 1999 Finance and Labor Committee Meeting

Item 1 – File 99-1426

Department: Recreation and Park Department

Item: Resolution urging the Recreation and Park Department to perform a feasibility study of constructing a Swim Center at Larsen Park.

Description: The proposed resolution urges the Recreation and Park Department to conduct a study regarding the feasibility of constructing a Swim Center, including an Olympic-size swimming pool, to be located at the site of the existing Sava Pool in Larsen Park, at 19th Avenue and Vicente Street.

Comments: 1. According to Ms. Audree Jones-Taylor of the Recreation and Park Department, the proposed Swim Center, which would be located in the northern end of Larsen Park, would contain an enclosed structure consisting of two separate swimming pools, one which would measure 50 meters in length (which is Olympic-size), and the other which would measure 22.75 meters in length. The existing Sava Pool, which is located in the southern end of Larsen Park, is 33 1/3 meters in length. Ms. Jones-Taylor states that, although this is the initial proposal, the

proposal could be altered significantly prior to final approval of the project.

2. Ms. Deborah Learner of the Recreation and Park Department, reports that a study of the feasibility of constructing a Swim Center which includes an Olympic-size swimming pool and other facilities, would consist of two parts: (a) a process which allows public input on the proposed Swim Center, and (b) a cost-benefit analysis of the alternatives, which include renovation or reconstruction of the existing Sava Pool, or construction of a new swimming facility. Ms. Learner reports that the public input process would include a discussion regarding the continued use of Larsen Park as an open space area or a reduction in open space for the construction of the Swim Center.

3. According to Mr. Mario Avendano of the Recreation and Park Department, no comprehensive study has been done on the infrastructure of Sava Pool, which is 50 years old, to determine the need for renovation or reconstruction of the pool.

4. Mr. Gary Hoy of the Department of Public Works reports that two feasibility studies have been performed by DPW, with assistance from outside consultants, on two other San Francisco swimming pools, as follows:

- Hamilton Pool: The study included an investigation of the existing conditions of the pool and an analysis of the alternatives, such as renovation or reconstruction of the existing pool.

- King Pool: The study included (a) an assessment of the existing structure, which resulted in a determination to demolish the existing pool, and the requirement for a 25-meter pool, (b) an assessment of the feasibility of building a new structure, and (c) community hearings on the proposed new swimming structure.

As a result of each of these two studies, a new King Pool swimming facility is currently being constructed at a cost of approximately $8,700,000, with monies from the

General Fund Reserve and the Open Space Fund. No construction work was performed at Hamilton Pool.

5. Mr. Joel Robinson of the Recreation and Park Department states that the Department would need to obtain approval from the Open Space Advisory Committee, a 23-member citizens advisory committee appointed by the Board of Supervisors and the Mayor, to conduct a feasibility study, including expending Department funds for the Larsen Park Swim Center and retaining an outside consultant for the study. Mr. Robinson states that the cost of the feasibility study would be a minimum of $25,000, based on the Department's experience with other feasibility studies. According to Mr. Robinson, the Recreation and Park Department would either have to budget funds for the proposed feasibility study in the FY 2000-01 Department budget, or request a supplemental appropriation, using either General Fund or Open Space Fund monies.

According to Ms. Learner, the Department is unable to provide preliminary cost estimates for the renovation or reconstruction of Sava Pool or for construction of a new Swim Center at Larsen Park, because (a) as of the writing of this report, sufficient information is not available regarding the scope of work required to renovate or reconstruct Sava Pool, and (b) the scope of the proposal for a new Swim Center has not yet been defined. Ms. Learner states that costs for reconstruction or renovation of Sava Pool or for construction of a new Swim Center could be funded partially by Open Space Fund monies, subject to appropriation approval of the Board of Supervisors, but that additional funds may be required from other sources, such as a bond measure.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 2 – File 99-1537

Department: San Francisco Unified School District (SFUSD)

Item: Ordinance appropriating $60,713,766 of General Obligation Bonds (Educational Facility Bonds, 1997A – SFUSD) Series 1999B proceeds for capital improvement projects on various school facilities, cost of issuance, and debt service, for the San Francisco Unified School District for fiscal year 1999-2000.

Amount: $60,713,766

Source of Funds: General Obligation Bonds (Educational Facility Bonds, 1997A – SFUSD) Series 1999B, hereafter referred to as "Educational Facility Bonds, Series 1999B".

Description: On June 3, 1997, a total of $90,000,000 in General Obligation Bonds for the construction and upgrading of SFUSD educational facilities was approved by the electorate. Educational Facility Bonds, Series 1999B were issued on June 16, 1999 for the construction and/or reconstruction of educational facilities for the SFUSD. According to Ms. Laura Opsahl-Bordelon of the Mayor's Office of Public Finance and Economic Development, the total Bond proceeds for Education Facility Bonds, Series 1999B are in the amount of $60,713,766.

The subject supplemental appropriation would appropriate the $60,713,766 in Bond proceeds for the following: (a) $60,287,090 for capital improvement projects on various SFUSD school facilities, (b) $235,050 for bond issuance costs, and (c) $191,626 for debt service costs (accrued interest payments and a portion of the underwriter's premium).

Budget: The budget is summarized as follows:

Purpose of Appropriation	Incurred as of 09/08/99	Not Yet Expended	Total Estimated Costs
New Schools	$327,406	$160,180	$487,586
Children's Centers	1,329	47,983	49,312
Science Laboratories	376,178	336,549	712,727
Seismic Upgrades	1,330,265	523,747	1,854,012
Technology Upgrades	4,361,638	9,489,840	13,851,478
Renovation	25,656,418	9,749,112	35,405,530
Health and Safety	46,860	14,328	61,188
Disability Access Improvements	5,672,817	2,142,964	7,815,781
Reduced Class Size	45,873	3,603	49,476
Subtotal	37,818,784	22,468,306	60,287,090
Bond Issuance Costs	0	235,050	235,050
Debt Service	0	191,626	191,626
TOTAL	**$37,818,784**	**$22,894,982**	**$60,713,766**

Attachment I, provided by the SFUSD, contains a project budget for the proposed capital improvements totaling $60,287,090 for Phase I which would be funded by the Educational Facility Bonds, Series 1999B in FY 1999-2000.

Attachment I also contains the proposed capital improvements totaling $29,712,910 for Phase II. Together, Phases I and II account for the total SFUSD capital improvement program cost of $90,000,000. According to Mr. Tim Tronson of the SFUSD, the SFUSD will seek a second bond issuance to fund Phase II. He advises that the SFUSD anticipates, based on current project scheduling and subject to Board of Supervisors approval, that the second bond issuance will occur within the next 12-18 months.

Comments: 1. In November 1997, the Board of Supervisors authorized and directed the sale of General Obligation Bonds (Educational Facility Bonds, 1997 – SFUSD) Series

1998C not to exceed $47,000,000 (Resolution No. 149-98). The issuance of General Obligation Bonds (Educational Facility Bonds, 1997 – SFUSD) Series 1998C was delayed due to litigation related to Proposition D which had been placed on the same June 3, 1997 ballot to authorize the City to issue Football Stadium Bonds to finance a portion of a new stadium development project at Candlestick Point. This litigation delayed bond counsel issuing a final opinion on the validity of the SFUSD bonds. Consequently, the SFUSD requested that additional Bond funds be issued to cover project costs for an additional year. On March 1, 1999 the Board of Supervisors authorized and directed the sale of Educational Facility Bonds, Series 1999B, not to exceed $64,000,000 (File 99-0200), thereby replacing the previous authorization of $47,000,000. This represented an increase of $17,000,000, or approximately 36 percent.

Educational Facility Bonds, Series 1999B were issued on June 16, 1999 (File 99-1154). According to Ms. Opsahl-Bordelon, the total Bond proceeds for Education Facility Bonds, Series 1999B are in the amount of $60,713,766.

2. According to Mr. Tronson, SFUSD capital improvement project expenditures of $37,818,784, or approximately 63 percent, of the subject $60,287,090 capital improvements budget have already been incurred as of September 8, 1999, prior to obtaining Board of Supervisors approval. Attachment II is a memorandum from Mr. Tronson which explains why the SFUSD expended $37,818,784 of the subject funds prior to obtaining appropriation approval from the Board of Supervisors.

Recommendation: Because expenditures of approximately 63 percent, or $37,818,784, of the total capital improvement budget of $60,287,090 have already been incurred by the SFUSD prior to obtaining appropriation approval from the Board of Supervisors, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

SAN FRANCISCO UN. .D SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Phase II 2000-2001	Subtotal Est. Expend.
1.	996	21st Century ES	Computer Network Installation	254,494		254,494
			Total Estimate Expenditure			254,494
2.	404	A.P. Giannini MS	Computer Network Installation	427,206		427,206
			Science Lab Upgrade	273,531		273,531
			Total Estimate Expenditure			700,737
3.	405	Abraham Lincoln HS	Child Care Renovations	333,335		333,335
			Computer Network Installation	363,410		363,410
			Science Lab Upgrade	957,361		957,361
			Total Estimate Expenditure			1,654,106
4.	413	Alamo ES	Computer Network Installation	259,659		259,659
			Total Estimate Expenditure			259,659
5.	737	Alice Fong Yu ES	New School Building	4,525,765	1,474,235	6,000,000
			Computer Network Installation		194,277	194,277
			Total Estimate Expenditure			6,194,277
6.	420	Alvarado ES	Computer Network Installation	274,188		274,188
			Total Estimate Expenditure			274,188
7.	431	Aptos MS	Computer Network Installation	522,180		522,180
			Science Lab Upgrade	307,723		307,723
			Total Estimate Expenditure			829,903
8.	903	Argonne CC	Child Care Renovations	3,000,000		3,000,000
			Total Estimate Expenditure			3,000,000
9.	435	Argonne ES	Computer Network Installation	105,732		105,732
			Total Estimate Expenditure			105,732
10.	439	Balboa HS	Child Care Renovations	333,333		333,333

SAN FRANCISCO UN.   :D SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Phase II 2000-2001	Subtotal Est. Expend.
			Computer Network Installation	714,466		714,466
			Science Lab Upgrade	782,574		782,574
			Seismic Upgrade	620,000		620,000
			Total Estimate Expenditure			2,450,373
11.	446	Benjamin Franklin MS	Computer Network Installation	447,164		447,164
			Total Estimate Expenditure			447,164
12.	724	Buena Vista ES/CC	Computer Network Installation	195,107		195,107
			Total Estimate Expenditure			195,107
14.	910	Burnett CC	Computer Network Installation		42,907	42,907
			Total Estimate Expenditure			42,907
15.	467	Cabrillo ES	Computer Network Installation	223,335		223,335
			Total Estimate Expenditure			223,335
16.	603	Cesar Chavez ES	Computer Network Installation		174,337	174,337
			Total Estimate Expenditure			174,337
17.	476	Chinese Education Center ES	Computer Network Installation		187,012	187,012
			Total Estimate Expenditure			187,012
18.	479	Claire Lilienthal ES (K-2)	New School Building	4,000,000		4,000,000
			Total Estimate Expenditure			4,000,000
19.	880	Claire Lilienthal ES (3-8)	Computer Network Installation	215,901		215,901
			Total Estimate Expenditure			215,901
20.	478	Clarendon ES	Computer Network Installation	201,267		201,267
			Total Estimate Expenditure			201,267

Attachment I
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SAN FRANCISCO UN. :D SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
21.	481	Cleveland ES	Computer Network Installation	223,335		223,335
			Total Estimate Expenditure			223,335
22.	488	Commodore Sloat ES	Computer Network Installation		242,415	242,415
			Total Estimate Expenditure			242,415
23.	915	Commodore Stockton CC	Computer Network Installation		102,286	102,286
			Total Estimate Expenditure			102,288
24.	488	Commodore Stockton ES	Computer Network Installation		160,414	160,414
			Total Estimate Expenditure			160,414
25.	497	Daniel Webster ES	Computer Network Installation	224,386		224,386
			Total Estimate Expenditure			224,386
26.	742	Downtown HS	Computer Network Installation	232,189		232,189
			Science Lab Upgrade	193,751		193,751
			Total Estimate Expenditure			425,940
27.	507	Dr. Charles R. Drew ES	Computer Network Installation		295,982	295,982
			Total Estimate Expenditure			295,982
28.	710	Dr. Martin Luther King MS	Computer Network Installation		251,257	251,257
			Total Estimate Expenditure			251,257
29.	525	Dr. William Cobb ES	Computer Network Installation	194,277		194,277
			Total Estimate Expenditure			194,277
30.	513	E.R. Taylor ES	Computer Network Installation	281,453		281,453
			Seismic Upgrade		240,000	240,000
			Total Estimate Expenditure			521,453
31.	517	Edison ES	Computer Network Installation		288,718	288,718
			Total Estimate Expenditure			288,718

SAN FRANCISCO UN[illegible]ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR 3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
32.	521	El Dorado ES	Computer Network Installation	223,335		223,335
			Total Estimate Expenditure			223,335
33.	529	Everett MS	Computer Network Installation	488,174		488,174
			Science Lab Upgrade	193,751		193,751
			Total Estimate Expenditure			681,925
34.	537	Fairmount ES	Computer Network Installation	252,394		252,394
			Total Estimate Expenditure			252,394
35.	542	Filipino Education Center CC	Computer Network Installation		135,592	135,592
			Total Estimate Expenditure			135,592
36.	971	Florence Martin CC	Computer Network Installation		73,348	73,348
			Total Estimate Expenditure			73,348
37.	544	Francis Scott Key ES	Computer Network Installation		266,923	266,923
			Total Estimate Expenditure			266,923
38.	546	Francisco MS	Computer Network Installation	426,963		426,963
			Science Lab Upgrade	307,723		307,723
			Total Estimate Cost			734,686
39.	549	Frank McCoppin ES	Computer Network Installation		223,335	223,335
			Total Estimate Cost			223,335
40.	559	Galileo HS	Child Care Renovations	333,333		333,333
			Computer Network Installation	879,774		879,774
			Science Lab Upgrade	714,192		714,192
			Seismic Upgrade	800,000		800,000
			Total Estimate Cost			2,727,299

Attachment I
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SAN FRANCISCO UN. :D SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

				Bond Issuance		
No.	Site No.	School	Projects	Phase I 1999-2000	Phase II 2000-2001	Subtotal Est. Expend.
41.	562	Garfield ES	Computer Network Installation	216,071		216,071
			Total Estimate Cost			216,071
42.	653	George Moscone ES/Las Americas CC	Computer Network Installation	56,886		56,886
			Total Estimate Cost			56,886
43.	569	George Peabody ES	Computer Network Installation		194,277	194,277
			Total Estimate Expenditure			194,277
44.	571	George Washington HS	Computer Network Installation	1,222,790		1,222,790
			Science Lab Upgrade	1,299,230		1,299,230
			Total Estimate Expenditure			2,522,020
45.	625	George Washington Carver ES	Computer Network Installation	252,394		252,394
			Total Estimate Expenditure			252,394
46.	575	Glen Park ES	Computer Network Installation		207,097	207,097
			Total Estimate Expenditure			207,097
47.	999	Gloria R. Davis MS	Science Lab Upgrade		307,723	307,723
			Total Estimate Expenditure			307,723
48.	579	Golden Gate ES/CC	Computer Network Installation	259,659		259,659
			Total Estimate Expenditure			259,659
49.	589	Grattan ES	Computer Network Installation	230,599		230,599
			Total Estimate Expenditure			230,599
50.	593	Guadalupe ES	Computer Network Installation	208,806		208,806
			Total Estimate Expenditure			208,806
51.	505	Harvey Milk Civil Rights ES	Computer Network Installation		179,747	179,747
			Total Estimate Expenditure			179,747

SAN FRANCISCO UN.   ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
52.	607	Herbert Hoover MS	Computer Network Installation	456,059		456,059
			Science Lab Upgrade	273,531		273,531
			Total Estimate Expenditure			729,590
53.	614	Hillcrest ES	Computer Network Installation	281,453		281,453
			Total Estimate Expenditure			281,453
54.	618	Horace Mann Academic MS	Computer Network Installation	386,705		386,705
			Total Estimate Expenditure			386,705
55.	743	Ida B. Wells HS	Computer Network Installation	220,682		220,682
			Science Lab Upgrade	357,096		357,096
			Total Estimate Expenditure			577,778
56.	624	International Studies	Computer Network Installation	280,318		280,318
			Total Estimate Expenditure			280,318
57.	630	J. Eugene McAteer HS	Child Care Renovations	50,000	283,333	333,333
			Computer Network Installation	798,151		798,151
			Science Lab Upgrade	862,354		862,354
			Total Estimate Expenditure			1,993,838
58.	632	James Denman MS	Computer Network Installation		522,155	522,155
			Total Estimate Expenditure			522,155
59.	634	James Lick MS	Computer Network Installation	564,507		564,507
			Science Lab Upgrade	193,751		193,751
			Total Estimate Expenditure			758,258
60.	638	Jean Parker ES	Computer Network Installation	111,773		111,773
			Total Estimate Expenditure			111,773

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SAN FRANCISCO UN. :D SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
61.	644	Jefferson ES	Computer Network Installation		230,599	230,599
			Total Estimate Expenditure			230,599
62.	948	Jefferson Annex CC	Computer Network Installation		84,216	84,216
			Total Estimate Expenditure			84,216
63.	950	John McLaren CC	Computer Network Installation		103,789	103,789
			Total Estimate Expenditure			103,789
64.	650	John Muir ES	Computer Network Installation	325,041		325,041
			Total Estimate Expenditure			325,041
65.	651	John O'Connell HS	Computer Network Installation		482,989	482,989
			Science Lab Upgrade		1,299,230	1,299,230
			Total Estimate Expenditure			1,782,219
66.	466	John O'Connell (Mark Twain)	Computer Network Installation		240,795	240,795
			Total Estimate Expenditure			240,795
67.	652	John Swett ES	Computer Network Installation	212,242		212,242
			Total Estimate Expenditure			212,242
68.	817	John Yehall Chin ES	Computer Network Installation	194,277		194,277
			Total Estimate Expenditure			194,277
69.	746	Jose Ortega ES	Computer Network Installation		259,659	259,659
			Total Estimate Expenditure			259,659
70.	656	Junipero Serra ES	Computer Network Installation		179,747	179,747
			Total Estimate Expenditure			179,747
71.	956	Junipero Serra Annex CC	Computer Network Installation		86,019	86,019
			Total Estimate Expenditure			86,019

SAN FRANCISCO UNI ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
72.	664	Lefeyette ES	Computer Network Installation	288,718		288,718
			Total Estimate Expenditure			288,718
73.	960	Leguna Golden Gete CC	Computer Network Installetion		63,201	63,201
			Total Estimate Expenditure			63,201
74.	670	Lakeshore ES	Computer Network Instellation		232,879	232,879
			Total Estimate Expenditure			232,879
75.	676	Lawton ES	Computer Network Installation		293,955	293,955
			Total Estimate Expenditure			293,955
76.	680	Leonard R. Flynn ES	Computer Network Installation		281,453	281,453
			Total Estimate Expenditure			281,453
77.	691	Longfellow ES	Computer Network Instellation		245,129	245,129
			Total Estimate Expenditure			245,129
78.	697	Lowell HS	New School Building	3,556,336	3,443,664	7,000,000
			Computer Network Installation	121,932	690,949	812,881
			Science Leb Upgrede	217,108	1,230,284	1,447,392
			Total Estimate Expenditure			9,260,273
79.	701	Luther Burbank MS	Science Lab Upgrade	307,723		307,723
			Computer Network Installetion	522,180		522,180
			Total Estimate Expenditure			829,903
80.	830	Malcolm X ES	Computer Network Installetion		245,129	245,129
			Total Estimate Expenditure			245,129
81.	708	Marina MS	Computer Network Installation		556,736	556,736
			Science Lab Upgrade	273,531		273,531
			Total Estimate Expenditure			830,267

SAN FRANCISCO UN. ˈːD SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR 3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Phase II 2000-2001	Subtotal Est. Expend.
82.	714	Marshall ES	Computer Network Installation		187,012	187,012
			Total Estimate Expenditure			187,012
83.	718	McKinley ES	Computer Network Installation		223,335	223,335
			Total Estimate Expenditure			223,335
84.	722	Miraloma ES	Computer Network Installation		223,753	223,753
			Total Estimate Expenditure			223,753
85.	964	Mission Annex CC	Computer Network Installation		53,053	53,053
			Total Estimate Expenditure			53,053
86.	965	Mission CC	Computer Network Installation		73,348	73,348
			Total Estimate Expenditure			73,348
87.	460	Mission Education Center ES	Computer Network Installation		187,012	187,012
			Total Estimate Expenditure			187,012
88.	725	Mission HS	Computer Network Installation	799,542		799,542
			Science Lab Upgrade	440,660		440,660
			Seismic Upgrade	1,100,000		1,100,000
			Total Estimate Expenditure			2,340,202
89.	729	Monroe ES	Computer Network Installation		216,071	216,071
			Total Estimate Expenditure			216,071
90.	424	New Traditions Ctr. ES	Computer Network Installation	179,747		179,747
			Total Estimate Expenditure			179,747
91.	738	Newcomer HS	Computer Network Installation		245,127	245,127
			Total Estimate Expenditure			245,127

SAN FRANCISCO UN. ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
92.	928	Noriega CC	Computer Network Installation		103,789	103,789
			Total Estimate Expenditure			103,789
93.	754	Parkside ES/CC	New School Building	4,090,630	6,909,370	11,000,000
			Total Estimate Expenditure			11,000,000
94.	760	Paul Revere & Annex ES	Computer Network Installation		201,541	201,541
			Total Estimate Expenditure			201,541
95.	884	Phillip & Sala Burton HS	Child Care Renovations	50,000	283,333	333,333
			Computer Network Installation	668,303		668,303
			Science Lab Upgrade	717,976		717,976
			Total Estimate Expenditure			1,719,612
96.	773	Potrero Hill MS	Computer Network Installation	392,957		392,957
			Total Estimate Expenditure			392,957
97.	007	Presidio MS	Computer Network Installation	366,172		366,172
			Science Lab Upgrade	273,531		273,531
			Total Estimate Expenditure			639,703
98.	785	Raoul Wallenberg HS	Computer Network Installation	286,234		286,234
			Science Lab Upgrade	471,067		471,067
			Total Estimate Expenditure			757,301
99.	977	Rapheal Weill CC	Computer Network Installation		70,193	70,193
			Total Estimate Expenditure			70,193
100.	790	Redding ES	Computer Network Installation		208,806	208,806
			Total Estimate Expenditure			208,806
101.	782	Robert Louis Stevenson ES	Computer Network Installation		230,599	230,599
			Total Estimate Expenditure			230,599

SAN FRANCISCO UN. ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
102.	796	Rooftop ES	Computer Network Installation	234,355		234,355
			Total Estimate Expenditure			234,355
103.	003	Rooftop MS (Corbett)	Computer Network Installation	137,528		137,528
			Total Estimate Expenditure			137,528
104.	797	Roosevelt MS	Computer Network Installation	392,957		392,957
			Total Estimate Expenditure			392,957
105.	786	Rosa Parks ES	Computer Network Installation	303,247		303,247
			Total Estimate Expenditure			303,247
106.	493	S.F. Community/Excelsior ES	Computer Network Installation	160,571		160,571
			Total Estimate Expenditure			160,571
107.	987	San Miguel CC	Computer Network Installation		107,615	107,615
			Total Estimate Expenditure			107,615
108.	818	Sanchez ES	Computer Network Installation	332,305		332,305
			Total Estimate Expenditure			332,305
109.	983	Sarah B. Cooper CC	Computer Network Installation		251,876	251,878
			Total Estimate Expenditure			251,876
110.	694	School Of The Arts HS	Computer Network Installation		302,761	302,761
			Science Lab Upgrade		550,847	550,847
			Total Estimate Expenditure			853,608
111.	250	SFUSD Stoffer Warehouse	Seismic Upgrade	410,000		410,000
			Total Estimate Expenditure			410,000
112.	820	Sheridan ES	New School Building	5,000,000		5,000,000
			Computer Network Installation	105,732		105,732
			Total Estimate Expenditure			5,105,732

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SAN FRANCISCO UN ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
113.	823	Sherman ES	Computer Network Installation	289,622		289,622
			Total Estimate Expenditure			289,622
114.	834	Spring Valley ES	Computer Network Installation		204,545	204,545
			Total Estimate Expenditure			204,545
115.	838	Starr King ES	Computer Network Installation	252,394		252,394
			Total Estimate Expenditure			252,394
116.	842	Sunnyside ES	Computer Network Installation		242,194	242,194
			Total Estimate Expenditure			242,194
117.	750	Sunset ES	Computer Network Installation		175,883	175,883
			Total Estimate Expenditure			175,883
118.	741	Sunshine HS (Family Development)	Computer Network Installation	150,209		150,209
			Total Estimate Expenditure			150,209
119.	848	Sutro ES	Computer Network Installation		223,335	223,335
			Total Estimate Expenditure			223,335
120.	923	Theresa S. Mahler CC	Computer Network Installation		71,868	71,868
			Total Estimate Expenditure			71,868
121.	764	Thurgood Marshall HS	Child Care Renovations	333,333		333,333
			Computer Network Installation	500,025		500,025
			Science Lab Upgrade	193,751		193,751
			Total Estimate Expenditure			1,027,109
122.	852	Treasure Island ES	Computer Network Installation		368,629	368,629
			Total Estimate Expenditure			368,629

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SAN FRANCISCO UN. ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
123.	862	Ulloa ES	Computer Network Installation		269,782	269,782
			Total Estimate Expenditure			269,782
124.	867	Visitacion Valley ES	Computer Network Installation	295,982		295,982
			Total Estimate Expenditure			295,982
125.	876	West Portal ES	Computer Network Installation	36,378	206,148	242,525
			Seismic Upgrade	124,500	705,500	830,000
			Total Estimate Expenditure			1,072,525
126.	509	William R. De Avila ES	Computer Network Installation	288,718		288,718
			Total Estimate Expenditure			288,718
127.	997	Yerba Buena CC	Computer Network Installation		75,818	75,818
			Total Estimate Expenditure			75,818
128.	801	Yick Wo ES	Computer Network Installation		241,975	241,975
			Total Estimate Expenditure			241,975
129.	936	Yoey at Bessie Smith CC	Child Care Renovations	1,000,000		1,000,000
			Total Estimate Expenditure			1,000,000
			TOTAL ESTIMATED EXPENDITURES:	60,287,090	29,712,910	90,000,000

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SFUSD SAN FRANCISCO
UNIFIED SCHOOL DISTRICT
FACILITIES PLANNING & CONSTRUCTION

Memorandum

To:	Alan Gibson, Budget Analyst
CC:	Enrique Navas, CFO
From:	Tim Tronson
Date:	09/10/99
Re:	Advance Expenditures

In accordance with your request, I am providing you with the San Francisco Unified School District's ("District") reasons and information related to advance expenditures of the anticipated proceeds from the General Obligation Bonds (Education Facility Bond, 1997A – San Francisco Unified School District), Series 1999B for educational improvements. The issues are as follows:

1. Since the passage of the Proposition A on June 3, 1997, the District has proceeded with the planning, review and construction of its bond funded projects. Because of the pendancy of the SF 49ers' case and bond counsel's position, the District could not sell the bonds to pay for the projects. Therefore, the District has fronted the costs of these projects from its own fund sources. The District has proceeded with these projects for the following reasons:

   (1) Long planning lead-time (see paragraph 2 below).

   (2) Availability of State funding (see paragraph 3 below).

   (3) Several of the projects affected the health and safety of the District's students and employees. The District intends to use a portion of its bond proceeds for such projects, including structural upgrades of buildings that do not meet current seismic codes.

   (4) Several of the projects improved the ability of students and employees with disabilities to utilize the District's facilities. The District intends to use a portion of its bond proceeds to address facilities issues that limit access to persons with disabilities.

   (5) The implementation of classroom reduction statewide has placed severe constraints on this District's ability to house elementary school children. The average "students per classroom loading schedule" (statewide) has gone from 32 students per classroom to 20 students per classroom. Consequentially, the

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32 students per classroom to 20 students per classroom. Consequentially, the demand for elementary school facilities has exceeded the supply since the District houses far less students on the same school site. In San Francisco, we are accommodating a portion of the student housing needs with the bond proceeds. These projects include the planning and construction of the new Parkside Elementary School, three new academic wings (Sheridan ES, Claire Lilienthal ES, Alice Fong Yu ES), a gymnasium, and an auditorium.

2. The typical overall planning, review and construction process takes 24-36 months, depending on the scope of the project. The District does not go through the City Planning Department, for its plan review process, the construction of facilities, or the completion of improvements. The District goes through the Department of the State Architect (DSA) for its plan review. This process takes approximately six to eight months. In addition to DSA, the District goes through a Department of Education (DEA) review (usually 1-2 months) and a review by the Office of Public School Construction (OPSC) review (2-3 months). The District is also required to plan the site development or improvement in advance of these reviews. This process, depending on the scope of the project, takes from 12-18 months.

   During this process, the District retains the services of a professional architect and all of the engineering trades (electrical, mechanical, geo-technical and structural) to complete the project plans and specifications. The District pays for all of these services and the design review as they are completed and in advance of State approval and funding and bidding approval. When this process is finished and the project is placed out to bid, the District awards and funds the completion of the project through a general contractor. The typical construction project runs 12-18 months. Considering the above information, the District had planned and prepared for bid a number of projects that were included within the bond proposal. When the bond passed, these projects were placed out to bid and awarded to general contractors for construction. These projects are currently under construction.

3. As you know, the District intends to utilize bond proceeds, bond interest earnings, and all of its other sources of revenue to build facilities, modernize facilities, augment existing facilities, and complete seismic and technology infrastructure improvements throughout the City and County of San Francisco. Since the passage of the Proposition A on June 3, 1997, the District has proceeded with the planning, review and project application process with the State for seventeen (17) District sites. These 17 projects are shared funding projects, meaning that the State will fund 80% (eighty) of the improvement project and the District will fund 20%. The total value of the improvement work to be completed on the 17 sites is $49,642,466.00. The State's 80% share amounts to $39,713,972.80 with the District's portion equaling $9,928,493.20. The District was anticipating the utilization of the interest earnings from the bond proceeds and other source funds to meet its commitment on these projects. Without the use of these interest earnings from the bond proceeds the District will be unable to proceed with the development of these projects.

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Additionally, State fund grants are limited in both the amount and the duration of availability. If the District had been unable to proceed with the development of these projects by February 1998, it was likely that the District would have lost the State's commitment to fund its 80% share of $39,713,972.80.

Thanks
Tim Tronson

Items 3 and 4 – Files 99-1490 and 99-1491

Department: Department of Human Resources (DHR)

Item: **File 99-1490:** Ordinance adopting and implementing the provisions of the Amendment to the Memorandum of Understanding (MOU) between Teamsters, Local 856 and the City and County of San Francisco for Supervising Nurses for the period July 1, 1998, through June 30, 2001, providing that all covered employees be placed into full retirement contribution status, effective July 1, 1998.

File 99-1491: Ordinance adopting and implementing the provisions of the Amendment to the Memorandum of Understanding between SEIU, Local 790, and the City and County of San Francisco for Staff Nurses and Per Diem Nurses for the period July 1, 1997, through June 30, 2000, providing that all covered employees be placed into full retirement contribution status effective July 1, 1998.

Description: On July 1, 1998, the City and County of San Francisco agreed to pay the full amount of the required employee contribution to the San Francisco Employee Retirement System (SFERS) on behalf of the Registered Nurses, which includes Supervising Nurses, Staff Nurses, and Per Diem Nurses, who are covered by the Memoranda of Understanding (MOU) between the City and the Teamsters, Local 856, and Service Employees International Union (SEIU), Local 790, in accordance with Administrative Code Section 16.16-1.

When the City began paying the full amount of the required employee contribution to SFERS, not all Registered Nurses were fully included. In accordance with Administrative Code Section 16.61-1, the employee may make an individual choice as to whether the required employee contribution would be (a) a full pre-tax contribution, (b) a mixed pre-tax and after-tax contribution, or (c) a reduced contribution. However, Section 16.61-1 of the Administrative Code provides that MOUs may specify, under the mutual agreement of the bargaining unit and the City, that all covered employees who are members of SFERS will be placed into full pre-

tax employee contribution status. At the time that the City began paying the full amount of the required employee contribution, the MOUs for the Registered Nurses were not amended to provide language to place all Registered Nurses covered by the MOUs into full pre-tax employee contribution status. Therefore, the City paid only a portion of the employee contribution for the Registered Nurses who had elected to be in mixed-contribution or reduced contribution status.

Approval of the proposed ordinances would amend the MOUs between the City and County of San Francisco and the Teamsters, Local 856, and SEIU, 790, to provide language to place all covered employees into full pre-tax employee contribution status, effective July 1, 1998.

Comments:

1. According to Ms. Clare Murphy of the San Francisco Employee Retirement System, the required employee contribution for an employee in full pre-tax employee contribution status is 8 percent of wages for Registered Nurses hired prior to November 1, 1976, and 7.5 percent of wages for Registered Nurses hired after November 1, 1976.

2. Ms. Murphy reports that the City pays the employee contribution to SFERS on behalf of the Registered Nurse, as follows:

Full pre-tax contribution. Since July 1, 1998, the City has paid the full pre-tax employee contribution on behalf of Registered Nurses who selected full retirement status, equal to either 7.5 percent or 8 percent of wages, depending on date of hire. Therefore, these Registered Nurses are not affected by the proposed amendments to the MOUs.

Mixed contribution. Since July 1, 1998, the City has paid the pre-tax employee contribution, equal to either 1.3 percent or 1.8 percent of Federal Old Age and Survivors Disability Insurance (OASDI)[1] wages, depending on date of hire, on behalf of Registered Nurses who selected mixed

[1] Federal Old Age and survivors Disability Insurance (OASDI) wages for 1999 are annual wages up to $72,600. Annual wages above $72,600 are not OASDI wages.

pre-tax/after-tax retirement status. In addition, Registered Nurses have paid an after-tax employee contribution equal to 6.2 percent of OASDI wages and a full contribution equal to 7.5 percent or 8 percent, depending on date of hire, required for wages earned above the OASDI wage limit. Therefore, if the proposed amendments to the MOUs were adopted, the City would:

(a) reimburse each Registered Nurse, who has chosen a mixed contribution, an amount equal to 6.2 percent of OASDI wages, for the period from July 1, 1998, until the date of adoption of the proposed resolution, and

(b) place the Registered Nurse into full retirement status, effective on the date of adoption of the proposed resolution.

<u>Reduced contribution</u>. Since July 1, 1998, the City has paid the pre-tax employee contribution, equal to either 1.3 percent or 1.8 percent of OASDI wages, on behalf of Registered Nurses who selected reduced retirement status. However, neither Registered Nurses nor the City have paid the additional 6.2 percent contribution to SFERS that would equal a full employee contribution, The Registered Nurses have paid the required full contribution of 7.5 percent or 8 percent on all wages earned above the OASDI limit. If the proposed amendments to the MOUs were adopted, the City would:

(a) pay SFERS the additional 6.2 percent pre-tax employee contribution on behalf of Registered Nurses, for the period from July 1, 1998, until the adoption of the proposed resolution, to bring the employee contribution up to full retirement status, and

(b) place the Registered Nurse into full retirement status, effective on the date of adoption of the proposed resolution.

3. Ms. Murphy states that 400 Registered Nurses have elected to pay mixed contributions and 110 Registered Nurses have elected to pay reduced contributions, for a total of 510 affected Registered Nurses.

4. Ms. Alice Villagomez of the Human Resources Department advises that prior to July 1, 1998, the City was paying a portion of the employee contribution to SFERS on behalf of Registered Nurses, equal to 5 percent or 5.5 percent of wages, depending on date of hire. Beginning July 1, 1998, the City agreed to pay the full employee contribution to SFERS on behalf of Registered Nurses, equal to an additional 2.5 percent of wages. Ms. Villagomez states that it was the City's intention to place all Registered Nurses into full pre-tax employee contribution status at that time, including the Registered Nurses who had chosen to pay mixed or reduced employee contributions.

5. The Controller estimates that the proposed amendments to the Memoranda of Understanding between Teamsters Local 856 and SEIU Local 790 will cost approximately $2,560,000 for the period from July 1, 1998, through September 30, 1999. The ongoing annual cost of the proposed amendment is approximately $2,100,000, based on current Registered Nurse salary levels. According to the Controller, the additional costs to place the affected Registered Nurses into full retirement status were included in the Controller's original estimates of the incremental costs for the Nurses' MOUs as provided to the Board of Supervisors in June of 1997 when these MOUs were approved. In addition, such costs were included in the San Francisco General Hospital and Laguna Honda Hospital budgets for FY 1998-99 and FY 1999-2000. Therefore, the proposed amendments represent no incremental costs over and above current expenditure appropriations.

Recommendation: Approve the proposed ordinances.

Edward Harrington
Controller

September 10, 1999

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Amendments to the Memoranda of Understanding with SEIU Local 790 Staff & Per Diem Nurses and with Teamsters Local 856 Supervising Nurses, File Nos. 99-1490 and 99-1491.

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of amendments to the Memoranda of Understanding between the City and County of San Francisco and SEIU Local 790 Staff and Per Diem Nurses, and between the City and Teamsters Local 856 Supervising Nurses. The amendment covers the period July 1, 1997 through June 30, 2000, and affects approximately 510 employees with a salary base of approximately $33.8 million.

The amendment specifies that as of July 1, 1998, all members of these two bargaining units will be irrevocably placed into full retirement contribution status. Based on our analysis, the amendment will result in costs of approximately $2.56 million for the period from July 1, 1998 through September 30, 1999. Please note that these amounts were included in our original estimates of the incremental costs for the Nurses' MOUs as provided to the Board of Supervisors in June of 1997 when these MOUs were approved.

If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

for Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Item 6 - File 99-1625

The proposed ordinance would amend the previously approved Fiscal Year 1999-2000 Annual Appropriation Ordinance (AAO) as a prerequisite to the levy of the Property Tax rate. The proposed ordinance would amend the Fiscal Year 1999-2000 AAO to increase previously appropriated funds in the amount of $119,144 to the Art Commission for the Municipal Symphony Orchestra (one-eighth of one cent per $100 of assessed valuation) as required by Charter Section 16.106(1).

Comment

The Fiscal Year 1999-2000 budget included $770,000 for the Art Commission expenditures for the Municipal Symphony Orchestra. The proposed ordinance would increase this appropriation by $119,144 to $889,144 for Fiscal Year 1999-2000. The proposed adjustment would have a net effect of decreasing the General Fund Reserve from $28,500,000 to $28,380,856.

Recommendation

Approve the proposed ordinance.

Items 7, 8, and 9 - Files 99-1626, 99-1627 and 99-1628

The proposed ordinances would establish the Fiscal Year 1999-2000 Property Tax rates for the City and County of San Francisco including the Bay Area Air Quality Management District and the Bay Area Rapid Transit District (BARTD - File 99-1626), for the San Francisco Unified School District (File 99-1627) and for the San Francisco Community College District (File 99-1628). The Property Tax rate proposed for the City and County of San Francisco is $1.00 per $100 of assessed valuation which is the maximum allowable rate. The total Property Tax rate of $1.129 per $100 of assessed valuation for Fiscal Year 1999-2000 for all of the jurisdictions named above, as calculated by the Controller, includes bond interest and redemption charges. The proposed Fiscal Year 1999-2000 Property Tax rate of $1.129 is a decrease of $0.036 from the Fiscal Year 1998-99 Tax rate of $1.165.

The Controller's Office reports that the net decrease in the Property Tax rate for Fiscal Year 1999-2000 reflects a number of factors, including elimination of the BARTD debt service requirement, reduction in the San Francisco Unified School District's debt service requirement, an increase in the value of property subject to taxation, and the use of surplus revenue from the City's debt service fund. The Controller adds that the surplus in the City's debt service fund is related to bonds that the City had planned but was unable to issue in Fiscal Year 1998-99 due to litigation, and from the realization of higher Property Tax revenues than originally estimated.

The Fiscal Year 1998-99 approved Property Tax rates and the Fiscal Year 1999-2000 proposed Property Tax rates are as follows:

General Tax Rates	Approved Fiscal Year 1998-99 Rates	Proposed Fiscal Year 1999-2000 Rates	Increase (Decrease)
City and County of San Francisco:			
General Fund	0.57739620	0.57739620	-
Children's Fund	0.02500000	0.02500000	-
Open Space Acquisition Fund	0.02500000	0.02500000	-
County Superint. of Schools	0.00097335	0.00097335	-
Library Preservation Fund	0.02500000	0.02500000	-
S.F. Unified School District	0.28485725	0.28485725	-
S.F. Community College District	0.05336253	0.05336253	-
Bay Area Air Quality Management District	0.00208539	0.00208539	-
Bay Area Rapid Transit District	0.00632528	0.00632528	-
Subtotal, General Fund Tax Rate	$1.00	$1.00	$0.00

Property Tax Rates (Continued)

General Tax Rates	Approved Fiscal Year 1998-99 Rates	Proposed Fiscal Year 1999-2000 Rates	Increase (Decrease)
Rates for Bonded Indebtedness			
City and County of San Francisco	$ 0.14493925	$ 0.12766122	($ 0.01727803)
S. F. Unified School District	0.00338075	0.00133878	(0.00204197)
Bay Area Rapid Transit District	0.01668000	0	(0.01668000)
Subtotal, Bonded Indebtedness	$ 0.165	$ 0.129	$ (0.036)
Total Combined Tax Rate	$ 1.165	$ 1.129	$ (0.036)

As compared with the current Fiscal Year 1998-99 Property Tax rate of $1.165, the Fiscal Year 1999-2000 proposed $1.129 Property Tax rate will have the following effect on a tax bill for a single family residence assessed at $400,000:

	FY 1998-99	
Assessed Value	$400,000	
Less Homeowners Exemption	7,000	
Total	$393,000	divided by $100 x $1.165 = $4,578.45

	FY 1999-2000	
Assessed Value (1998-99)	$400,000	
Add 1.85%[1] Cost of Living Increase	7,400	
Subtotal	$407,400	
Less Homeowners Exemption	7,000	
Total	$400,400	divided by $100 x $1.129 = $4,520.52

Net Decrease in Property Tax Bill for Fiscal Year 1999-2000 ($57.93)

As shown above, homeowners of a single family residence, assessed at $400,000, would experience a cost of living increase of 1.85 percent for Fiscal Year 1999-2000 (under Proposition 13, the maximum allowable cost of living increase is two percent annually). In the example reflected above, the cost of living increase, combined with the decreased rate for bonded indebtedness, results in a Property Tax decrease of $57.93 for Fiscal Year 1999-2000 as compared to Fiscal Year 1998-99.

Recommendation

Approve the proposed ordinances.

[1] The maximum allowable cost of living increase under Article XIII B of the California Constitution is two percent. The State Board of Equalization has set the FY 1999-2000 cost of living increase at 1.85 percent.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 10 – File 99-1644

Department: Mayor's Office of Public Finance

Item: Resolution (a) approving the form of, and authorizing the execution and delivery by the City and County of San Francisco of Equipment Lease Supplement No. 8, between the City and County of San Francisco Finance Corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to equipment to be used for City purposes, and providing for the related Certificate of Approval and a continuing Disclosure Certificate; (b) approving the issuance of Series 1999A Lease Revenue Bonds by said nonprofit corporation in an amount not to exceed $9,800,000; (c) providing for reimbursement to the City of certain City expenditures incurred prior to the issuance of Series 1999A Lease Revenue Bonds; (d) providing for the execution of documents in connection therewith; and (e) ratifying actions previously taken.

Amount: Not to exceed $9,800,000

Description: In June of 1990, San Francisco voters approved Proposition C, a Charter amendment which authorized the Board of Supervisors to authorize and approve the lease-financing of equipment purchases for the City through a nonprofit public benefit corporation, the San Francisco Finance Corporation. The equipment leased by the City is purchased by the San Francisco Finance Corporation with the proceeds of lease revenue bonds.

According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the City has issued lease revenue bonds for the procurement of equipment on an annual basis since FY 1990-91, with the exception of FY 1996-97 when such issuance was delayed until the following fiscal year. The Mayor's Office is now requesting authorization to issue up to $9,800,000 in City and County of San Francisco Corporation Lease Revenue Bonds, Series 1999A (hereafter referred to as "Series 1999A Lease Revenue Bonds"), for the acquisition, construction, and installation of equipment previously approved by the Board of Supervisors in the FY 1999-2000 budget.

Interest rates on lease revenue bonds issued by nonprofit corporations are generally lower than the interest on other financing instruments, because of the tax-exempt status of investments in non-profit corporations. Proposition C requires that the San Francisco Finance Corporation not issue lease revenue bonds for equipment purchase unless the Controller certifies that the interest costs to the City will be lower through the San Francisco Finance Corporation than through the other financing instruments such as third party vendors. Under the proposed resolution, the Controller is required to certify that the interest rates are lower through the San Francisco Finance Corporation prior to the sale of the proposed Series 1999A Lease Revenue Bonds. According to Ms. Peg Stevenson of the Controller's Office, the Controller has certified that the interest rates to the city would be lower through the San Francisco Financing Corporation than through other financing instruments (see Comment 5 below).

In accordance with Proposition C, the total outstanding indebtedness of the San Francisco Finance Corporation may not exceed a principal amount of $20 million at any given time beginning in FY 1990-91, with the limit increasing by five percent in each subsequent fiscal year. The maximum amount of allowable indebtedness in FY 1999-2000 is $31,026,564 according to Ms. Hollenbeck.

The Board of Supervisors has previously authorized the issuance by the San Francisco Finance Corporation of up to $73.569,707 in lease revenue bonds, of which $67,315,000 was actually issued, to finance the purchase of equipment, as follows:

Fiscal Year	Authorized Lease Revenue Bonds
1990-91	$ 7,304,707
1991-92	Up to 10,000,000
1992-93	Up to 10,200,000
1993-94	Up to 7,000,000
1994-95	Up to 6,500,000
1995-96	Up to 7,065,000
1996-97	0
1997-98	Up to 14,000,000
1998-99	Up to 11,500,000
TOTAL	Up to $73,569,707

As noted above, the San Francisco Finance Corporation has been authorized to issue up to $73,569,707 since FY 1990-91 in lease revenue bonds to procure equipment on behalf of the City. According to the Mayor's Office of Public Finance, the actual amount of lease revenue bonds issued by the San Francisco Finance Corporation, the amounts which have been repaid, and the outstanding indebtedness as of October 1, 1999 will be as follows:

Series 1991A Bonds		
Lease Purchase Revenue Bonds Issued	$7,020,000	
Repayment to Date	7,020,000	
Outstanding Indebtedness: Series 1991A:		$ 0
Series 1992A Bonds		
Lease Purchase Revenue Bonds Issued	$5,555,000	
Repayment to Date	5,555,000	
Outstanding Indebtedness: Series 1992A:		0
Series 1993A Bonds		
Lease Purchase Revenue Bonds Issued	$10,200,000	
Repayment to Date	10,020,000	
Outstanding Indebtedness: Series 1993A:		180,000
Series 1994A Bonds		
Lease Purchase Revenue Bonds Issued	$6,850,000	
Repayment to Date	6,280,000	
Outstanding Indebtedness: Series 1994A:		570,000
Series 1995A Bonds		
Lease Purchase Revenue Bonds Issued	$6,075,000	
Repayment to Date	6,055,000	
Outstanding Indebtedness: Series 1995A:		20,000
Series 1996A Bonds		
Lease Purchase Revenue Bonds Issued	$7,065,000	
Repayment to Date	6,425,000	
Outstanding Indebtedness: Series 1996A:		640,000
Series 1997A Bonds	$13,715,000	
Lease Purchase Revenue Bonds Issued	4,320,000	
Payment to date		
Outstanding Indebtedness: Series 1997A:		9,395,000
Series 1998A Bonds	$10,835,000	
Lease Purchase Revenue Bonds Issued	1,490,000	
Payment to Date		
Outstanding Indebtedness: Series 1998A:		9,345,000
Projected Total Outstanding Indebtedness at 10/01/99		$20,150,000
Total Allowable Indebtedness		$31,026,564
Total Allowable Indebtedness Which Will Still Be Available at 10/01/99		$10,876,564

For FY 1999-2000, Proposition C established $31,026,564 as the maximum level of allowable indebtedness. As of October 1, 1999, it is projected that the amount of outstanding Proposition C indebtedness will be

$20,150,000, resulting in an available balance of $10,876,564 in unused debt capacity for equipment lease financing in FY 1999-2000.

The proposed resolution would authorize the issuance of new Series 1999A Lease Revenue Bonds in FY 1999-2000 in an amount not to exceed $9,800,000. This is within the San Francisco Finance Corporation's projected October 1, 1999 unused debt capacity for equipment lease financing under Proposition C of $10,876,564 for FY 1999-2000. Ms. Hollenbeck estimates that the Series 1999A Lease Revenue Bonds will be sold on a competitive basis on October 20, 1999.

According to Ms. Hollenbeck, the bond trustee for the San Francisco Finance Corporation will act as a bank for equipment purchases. Ms. Hollenbeck explains that various City departments have budgeted the annual lease payment within their FY 1999-2000 departmental budgets, as previously approved by the Board of Supervisors. Ms. Hollenbeck reports that the amount of the annual lease payments for the proposed Series 1999A Lease Revenue Bonds in FY 1999-2000 is approximately $174,000. This amount has been approved in the FY 1999-2000 budget under the General City Responsibility budget. A total of $10,923,000, including principal of $9,595,000 and interest of $1,328,000, would be paid over the six year term of the leases for the equipment listed in the Attachment provided by Ms. Hollenbeck. Ms. Hollenbeck reports that, pending authorization of the proposed resolution, the San Francisco Finance Corporation will sell bonds to prospective investors and will subsequently purchase the equipment on behalf of the City using the proceeds from the lease revenue bond funds. City departments will then make annual lease payments to the San Francisco Finance Corporation, which in turn will use these funds to repay the lease revenue bond interest and redemption.

In addition, the proposed resolution provides for (a) reimbursement to the City of up to $194,116 for bond issuance costs related to the proposed issuance of the Series 1999A Lease Revenue Bonds which have to be made prior to the actual date of issuance, (b) the

execution of documents needed to implement the proposed resolution, and (c) the ratification of actions previously taken.

The annual budgets of City departments must include the amount of the City's annual lease-purchase payments (including principal and interest) for equipment procured through the San Francisco Finance Corporation. Since these payments are required under the terms of the lease-purchase agreement with the San Francisco Finance Corporation, the annual payments become fixed costs of City departments for the term of the lease revenue bond repayment period, once the equipment has been procured and acquired by the San Francisco Finance Corporation. As noted above, City departments will make lease payments to the San Francisco Financing Corporation, which in turn will use such funds to repay the bond funds.

Comments:

1. The Attachment to this report, provided by Ms. Hollenbeck, contains a list of the equipment to be acquired, including (a) the applicable departments, (b) the number of units, and (c) the equipment costs, as previously approved by the Board of Supervisors in the FY 1999-2000 budget. As shown in the Attachment, total equipment costs are $8,005,943.

The estimated total project costs of $9,595,000 in Series 1999A Lease Revenue Bonds are as follows:

Equipment Costs	$8,005,943
Required Reserve Fund[1]	959,500
Bond Issuance Costs	194,116
Capitalized Interest[2]	435,441
TOTAL	$9,595,000

[1] Lease Revenue bonds have a legally required Reserve Fund equal, in this case, to 10 percent of the principal amount of the bonds.

[2] Pursuant to State law, the City cannot make any interest payments on lease revenue bonds until the City has received the equipment. However, interest on the lease revenue bonds begins accruing when the bonds are sold regardless of when the equipment is eventually purchased and received by the City. Therefore, capitalized interest, estimated in the amount of $435,441, must be paid from proceeds of the Series 1999A Revenue Lease Bonds until such a time as the equipment is actually received by the City and interest payments can be made from funds appropriated in the City budget.

2. The actual interest costs to the City of the proposed equipment lease-purchases cannot be determined precisely, because the interest rate will depend on prevailing financial market interest rates when the Series 1999A Lease Revenue Bonds are actually sold. Interest costs will also vary for each equipment item purchased based on the number of years in the repayment period for the item, which cannot exceed the useful life of the equipment.

Ms. Hollenbeck estimates that, if the proposed Series 1999A Lease Revenue Bonds are sold in a principal amount of approximately $9,595,000 at an estimated annual interest rate of 4.6 percent (based on current financial market interest rates), and if they are based on the expected repayment period of six years, the City's total principal and interest cost would be approximately $10,923,000 over the life of the Series 1999A Lease Revenue Bonds. Based on these estimates, as previously noted, the City's costs over the life of the Series 1999A Lease Revenue Bonds would be $9,595,000 in principal and $1,328,000 in interest costs, for a total cost of $10,923,000 over six years.

3. The proposed resolution would provide for a Continuing Disclosure Agreement. According to Ms. Hollenbeck, Federal law requires all cities and counties which issue tax-exempt debt to file an Annual Report with a national repository for the benefit of the investors. The Annual Report would contain the following: (1) the financial statements of the San Francisco Financing Corporation and the City; (2) the status of the project; (3) a summary of budgeted General Fund revenues and appropriations; (4) a summary of assessed valuation of taxable property; and (5) a summary of outstanding and authorized but unissued tax supported debt.

4. The use of lease financing is equivalent to borrowing funds, with resultant interest costs, to purchase equipment. Since such financing requires fixed, mandatory lease payments by City departments over several years, the use of lease-purchases "locks in" departmental expenditures for future years resulting in a

reduction in the amount of discretionary monies in the City's budget in future years. However, the Mayor's Office recommends the use of lease-financing with Proposition C bonds for the City's major equipment purchases in order to spread the equipment costs over several years, corresponding to the City's beneficial use of the equipment.

5. Under the proposed resolution, the Controller is required to certify, prior to the sale of the proposed Series 1999A Lease Revenue Bonds, that the interest rates are lower to the City through the San Francisco Finance Corporation than through other financing instruments. Ms. Peg Stevenson of the Controller's Office advises that the Controller reviewed the estimated interest rates for comparable equipment lease-financing that would be charged by various companies such as Ford Motor Credit, which would charge 5.25 percent annually for a comparable six year term of borrowing, and IBM, which would charge 5.39 percent annually for a six year term of borrowing. Based on that review, the Controller has certified in relation to the proposed Series 1999A Lease Revenue Bonds that if those bonds are sold on October 20, 1999, the estimated 4.6 percent annual interest rate that would be charged by the San Francisco Finance Corporation for a six year term of borrowing for the subject equipment to be leased would be lower than the interest rates that the surveyed companies would charge.

6. Based on the data reviewed, and in accordance with the Charter, as noted in Comment No. 5 above, the Controller has certified that the estimated interest rate of 4.6 percent to be paid by the City would be lower through the San Francisco Financing Corporation than through other financing instruments.

Recommendation: Approve the proposed resolution.

City and County of San Francisco Finance Corporation
Series 1999A Equipment List

Department	Equipment	# of Units	Per Unit Cost	Total Cost
Administrative Services	Cargo Van	1	23,000	23,000
Administrative Services	Passenger lift van	1	35,000	35,000
Adult Probation	Sedan-compact (CNG)	2	22,000	44,000
Animal Care	1 Ton outfitted van	1	35,000	35,000
City Attorney	Computer LAN Equipment	1	273,901	273,901
San Francisco General Hospital	Fluoroscan imaging system	1	69,105	69,105
San Francisco General Hospital	BTE Pnmus work Simulator	1	53,162	53,162
San Francisco General Hospital	TEE Probe	1	48,875	48,875
San Francisco General Hospital	Automatic Coverslipper and Fume Controller	1	33,092	33,092
San Francisco General Hospital	Adult Ventilator	1	30,380	30,380
San Francisco General Hospital	Humphrey Visual Field Analyzer II	1	29,591	29,591
San Francisco General Hospital	Osteopower Modular Handpiece	1	21,728	21,728
Medical Examiner	1 Ton w/ lift van	1	37,000	37,000
Medical Examiner	Gas Generator	1	45,000	45,000
Muni	1 Ton w/ lift van	2	27,000	54,000
Muni	Forklifts	2	27,000	54,000
Muni	2-1/2 Ton scissor truck w/ hyrailer for over power line repair	2	120,000	240,000
Muni	Heavy duty currency collection van	3	30,000	90,000
Muni	LRV jack & rerailer	1	75,000	75,000
Muni	Cargo Van - outfitted	2	25,000	50,000
Muni	LRV repair truck 26K GVWR 300hp diesel	1	110,000	110,000
Muni	Overhead Line Maintenance Truck	1	240,000	240,000
Fire	Van	2	24,500	49,000
Fire	Ambulances	3	136,200	408,600
Fire	Triple combination pumpers	3	255,978	767,934
Fire	Mini pumpers	1	76,000	76,000
Fire	Aerial ladder truck	1	458,315	458,315
Fire	Mid-size sedan	10	21,000	210,000
Public Health	Cisco catalyst 8500 & 5000 campus switch routers	1	140,000	140,000
Juvenile Probation	Compact sedan (CNG)	6	22,000	132,000
Juvenile Probation	Passenger van	3	26,500	79,500
Juvenile Probation	Car w/ security cage	1	25,500	25,500
Public Defender	Minivan	1	26,500	26,500
Police	Sedans - marked	40	29,694	1,187,760
Police	Sedans - unmarked	50	24,250	1,212,500
Parking & Traffic	Three wheelers	25	17,500	437,500
Parking & Traffic	1 Ton utility truck (signage repair)	1	45,000	45,000
Parking & Traffic	1/2 Ton utility truck (painting)	1	22,000	22,000
Parking & Traffic	1/2 Ton utility truck (signal repair)	1	35,000	35,000
Parking & Traffic	1 1/2 Ton utility truck (meter repair)	1	23,000	23,000
Parking & Traffic	Vans - outfitted	5	26,400	132,000
Parking & Traffic	Midsize sedan (CNG)	1	24,000	24,000
Recreation & Park	Garbage truck	1	140,000	140,000
Recreation & Park	Rubber tire backhoe	1	78,000	78,000
Recreation & Park	Ford F150	1	25,000	25,000
Recreation & Park	3/4 Ton pick-up Truck	1	53,000	53,000
Recreation & Park	3/4 Ton pick-up Truck	1	29,500	29,500
Recreation & Park	3/4 Ton pick-up Truck	1	29,000	29,000
Recreation & Park	3/4 Ton 4x4 pick-up truck	1	27,500	27,500
Recreation & Park	1 Ton dump truck	1	20,000	20,000
Recreation & Park	Dump truck	2	60,000	120,000
Recreation & Park	2 3/4 pick-up truck	1	37,500	37,500
Telecommunications	Compact car (CNG)	2	22,000	44,000
Telecommunications	Wiring & telecom trucks	3	30,000	90,000
Telecommunications	Wiring & telecom trucks	1	38,500	38,500
Telecommunications	Wiring & telecom trucks	1	35,000	35,000
Telecommunications	Grumen cable splicing van	1	55,000	55,000
				8,005,943

Item 11 –File 99-1579

Department: Public Utilities Commission (PUC)
Department of Public Works (DPW)

Item: Resolution approving the expenditure of funds for the emergency work to replace a structurally inadequate sewer on Polk Street from Washington Street to Clay Street.

Amount: $120,366

Source of Funds: FY 1999-2000 PUC Repair and Replacement Fund

Description: On May 14, 1999, the Public Utilities Commission (PUC) Sewer Operations notified the Hydraulic Engineering Section of the DPW Bureau of Engineering that a live water main was broken. The resulting deluge damaged a manhole and approximately 40 feet of the existing 3 foot by 5 foot brick sewer near the intersection of Polk and Washington Streets. In addition, 285 feet of the existing brick sewer within the remainder of Polk Street from Clay to Washington Streets was determined to be structurally inadequate, and required immediate replacement to protect the health, welfare, and property of the citizens of San Francisco. On May 20, 1999 the PUC declared an emergency, and in accordance with Section 6.30 of the Administrative Code, the PUC initiated expedited contract procedures and awarded a contract to A. Ruiz Construction, Inc., in the amount of $109,382 to replace the structurally inadequate sewer.

Budget: The total actual project cost was $120,366, including $93,216 in actual construction costs (or $16,166 less than the award amount, see Comment No. 2).

A summary of the budget is as follows:

DPW Bureau of Engineering	$14,150
DPW Bureau of Construction Management	13,000
Construction Contract	93,216
Total Project Cost	$120,366

The Attachment provided by the DPW details the DPW Bureau of Engineering and Bureau of Construction Management costs.

Comments:

1. According to Mr. P.T. Law of DPW, the construction contract was awarded on a sole-source basis to A. Ruiz Construction, Inc., which was the contractor hired by the Water Department to repair the broken water main adjacent to the subject sewer. Mr. Law states that the sewer contract was awarded on a sole-source basis to A. Ruiz Construction, Inc., in order to avoid having two contractors at the site at the same time and to take advantage of A. Ruiz Construction, Inc.'s open trench at the intersection of Polk and Washington Street.

2. Mr. Law reports that although the contract was awarded in the amount of $109,382, the final contract cost, after adjustment for actual quantities used during construction, was $93,216, or $16,166 less than the contract amount of $109,382.

3. Mr. Law states that construction began on May 24, 1999, and all work was completed on June 7, 1999.

Recommendation: Approve the proposed resolution.

<u>BOARD OF SUPERVISORS</u>
BUDGET ANALYST

Attachment
9/1/99

Cost Breakdown for (J.O. #1801N, Contract #CW-242E)
Polk Street Sewer System Improvement

Bureau of Engineering

Classification	Title	Rate		Hours	Cost	
5504	Project Manager II	$	92	8	$	736
5206	Associate Civil Engineer	$	75	25	$	1,875
5202	Junior Civil Engineer	$	50	71	$	3,550
5366	Civil Engineering Associate II	$	60	93	$	5,580
5381	Engineenng Student Trainee II	$	33	30	$	990
1426	Secretary	$	43	33	$	1,419
					$	**14,150**
				Rounded:	**$**	**14,150**

Bureau of Construction Management

Classification	Title	Rate		Hours	Cost	
5210	Senior Civil Engineer	$	100	6	$	600
5208	Civil Engineer	$	80	10	$	800
5204	Assistant Civil Engineer	$	59	95	$	5,605
6318	Construction Inspector	$	74	81	$	5,994
				Total	**$**	**12,999**
				Rounded:	**$**	**13,000**

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Item 12 – File 99-1593

Department: Mayor's Office of Housing

Item: Resolution authorizing the issuance, sale, and delivery of City and County of San Francisco Single Family Mortgage Revenue Refunding Bonds, Drawdown Series 1999, in an aggregate principal amount not to exceed $25,000,000; and authorizing the execution and delivery of a Trust Indenture and a Purchase Contract; providing for the execution of documents in connection therewith; and ratifying previous actions taken in connection therewith.

Amount of Bond Issuance: Up to $25,000,000

Description: In May of 1981, the Board of Supervisors adopted Ordinance 245-81, which became Chapter 43 of the Administrative Code, entitled the Residential Mortgage Revenue Bond Law, authorizing the City to incur bonded indebtedness for the purpose of financing home mortgages. Since 1982, the City has issued $196,345,363 in tax-exempt single family mortgage revenue bonds. These bonds have provided funds for below-market rate mortgages to first-time low and moderate income homebuyers. Since 1982, the program has assisted approximately 900 families to become homeowners in the City. Bondholders of the single family mortgage revenue bonds are paid from the repayments of these mortgages, which include both the scheduled principal payments of the mortgages and the mortgage payoffs when the home is refinanced or sold.

Currently, the City is limited in its ability to issue new tax-exempt single family mortgage revenue bonds to finance additional single family home mortgages. The Internal Revenue Code permits each State to grant local governments within that State the authority to issue tax-exempt bonds, called private-activity bonds, to be used for private purposes, such as financing single family home mortgages. However, the Internal Revenue Code also places a statewide cap on the amount of tax-exempt private-activity bonds that local governments within a state can issue. At the present time, the California Debt

Limit Allocation Committee (CDLAC), the State of California agency which authorizes the amount of tax-exempt private-activity bonds which can be issued by Californian local governments, has rationed the amount of bonds issued on a per-capita basis statewide. Because of the Federally imposed statewide cap on private-activity bonds, and the CDLAC ration of private-activity bonds issued by Californian local governments, San Francisco is not able to issue new single family mortgage revenue bonds at this time.

As an alternative to the issuance of new single family mortgage revenue bonds, the Internal Revenue Code permits the City to:

(a) issue tax-exempt refunding bonds which would be used instead of the mortgage repayments to pay the bondholders of the original bonds; and

(b) use the mortgage repayments, which would have been used to pay the bondholders of the original bonds in the absence of the refunding bonds, as a source of funds to finance new mortgages.

Therefore, the proposed resolution would authorize the Mayor's Office of Housing to issue tax-exempt short-term Refunding Bonds and to use the proceeds from the Refunding Bonds to pay the bondholders of the original single family mortgage revenue bonds. By using the proceeds of the Refunding Bonds to pay the original bondholders, rather than using the mortgage repayments, the mortgage repayments become available as a source of funds to finance new single family home mortgages.

However, for the mortgage repayments to become available as a source of funds to finance new single family home mortgages, the City would be required to (a) issue long-term Refunding Bonds, on or before April 1, 2003, which is the date when the short-term Refunding Bonds mature, and (b) use the proceeds of the long-term Refunding Bonds to pay the bondholders of the short-term Refunding Bonds (see Comment 6).

Approval of this resolution would authorize the City to issue Single Family Mortgage Revenue Refunding Bonds, Drawdown Series 1999, in an aggregate principal amount not to exceed $25,000,000. Such bonds would be first issued on October 1, 1999, and would mature no later than April 1, 2003, which is within 42 months.

Comments:

1. According to Mr. Joe LaTorre of the Mayor's Office of Housing, of the $196,345,363 in single family mortgage revenue bonds that have been issued since 1982, the remaining outstanding balance is $23,837,657.

2. Although the resolution would authorize the City to issue Single Family Mortgage Revenue Refunding Bonds in an amount up to $25,000,000, which is approximately equal to the outstanding balance of $23,837,657, Mr. LaTorre states that the Mayor's Office of Housing estimates that the amount of Refunding Bonds to be issued would be approximately $12,350,000, which is the expected amount of mortgage repayments that would accumulate, either through scheduled mortgage payments or through sale or refinancing of homes, prior to April 1, 2003[1]. Proceeds from the estimated $12,350,000 in Refunding Bonds would be used to redeem $12,350,000 of the $23,837,657 in currently outstanding single family mortgage revenue bonds, which otherwise would have been paid by $12,350,000 in accumulated mortgage repayments.

3. According to Mr. LaTorre, the Mayor's Office of Housing proposes that the Refunding Bonds would be issued, as follows:

- The City would issue a Drawdown Series of short-term tax-exempt Single Family Mortgage Revenue Refunding Bonds in an amount of approximately $12,350,000 but no greater than $25,000,000. The Refunding Bonds would be issued in increments, or drawdowns, and the first increment would be issued on October 1, 1999, in the estimated amount of

[1] According to Mr. LaTorre, the Trust Indenture for the original single family mortgage revenue bonds provides that the original bonds would be redeemed when mortgages are paid-off, either through scheduled mortgage repayments (which coincides with the date of maturity of the original bond which financed the mortgage) or through the refinancing or sale of homes.

$3,442,657, which is equal to the amount of the original single family mortgage bonds which mature on October 1, 1999 ($2,942,657), plus the estimated amount of mortgages which would be paid-off through refinancing or sale of homes by October 1, 1999 ($500,000).

- The City would use the proceeds of the sale of the Refunding Bonds in the amount of $3,442,657, rather than the accumulated mortgage repayments in the amount of $3,442,657, to pay off the bondholders of the original single family mortgage revenue bonds.

- The City would place the accumulated mortgage repayments in the amount of $3,442,657, which otherwise would have been used to pay the bondholders of the original bonds on October 1, 1999, into an investment contract.

Subsequent increments of the Drawdown Series of the Refunding Bonds, for a total amount of approximately $12,350,000 but no greater than $25,000,000, would be issued between October 1, 1999, and April 1, 2003, in the manner described above, and proceeds from the sale of the Refunding Bonds would be used to pay the bondholders of the original bonds when they mature. All the Refunding Bonds would mature on April 1, 2003.

All mortgage repayments which would accumulate between October 1, 1999, and April 1, 2003, and which would otherwise have been used to pay the bondholders of the original bonds, would be placed into the investment contract.

4. According to Mr. LaTorre, the purpose for issuing the short-term Refunding Bonds, which would mature within 42 months, is as follows:

(a) The Mayor's Office of Housing estimates that approximately $12,350,000 in mortgage repayments, which is the amount deemed sufficient to finance new single family home mortgages, would accumulate within that time period. Once sufficient mortgage repayment funds, totaling approximately

$12,350,000, have accumulated, the City would be able to use the funds to finance new home mortgages.

(b) The issuance of short-term Refunding Bonds serves as a bridge to permit the City to accumulate mortgage repayments to be used a source of funds to finance new home mortgages. As stated above, the City would be required to issue long-term Refunding Bonds to pay the bondholders of the short-term Refunding Bonds, so that the accumulated mortgage repayments can be made available as a source of funds to finance new home mortgages.

5. Mr. LaTorre reports that the short-term Refunding Bonds are interest-only bonds. Interest accrued on the accumulated mortgage repayments in the investment contract is estimated to be sufficient to service the debt of the short-term Refunding Bonds. Mr. LaTorre states that the City, which issued a Request for Proposal (RFP) for the purchase of the Refunding Bonds, has agreed to sell the Refunding Bonds to Merrill Lynch, subject to Board of Supervisors' approval of the proposed resolution, and that Merrill Lynch would receive interest payments on the Refunding Bonds equal to 80 percent of the one-month London Inter-Bank Rate (LIBOR). Mr. LaTorre advises that the estimated rate of return on the accumulated mortgage repayments in the investment contract would be 90 to 95 percent of LIBOR and that invested funds would earn sufficient interest to pay interest on the short-term Refunding Bonds. Any surplus in the interest which accrues on the accumulated mortgage repayments in the investment contract is positive arbitrage, and monies earned over and above the interest paid to the bondholders would be remitted to the U.S. Department of the Treasury, so that the bonds retain their tax-exempt status.

6. Mr. LaTorre states that the City would need to issue long-term tax-exempt Refunding Bonds, subject to Board of Supervisors' approval, on or before April 1, 2003, to redeem the subject short-term Refunding Bonds. Without issuance of the long-term Refunding Bonds to redeem the subject short-term Refunding Bonds, the City would need to use the mortgage repayments which have accumulated

in the investment contract to redeem the short-term Refunding Bonds. By issuing long-term Refunding Bonds to redeem the short-term Refunding Bonds, the mortgage repayments which have been held in the investment contract become available as a source of funds to finance new home mortgages.

7. Mr. LaTorre reports that the estimated bond issuance costs, for issuing all increments of Drawdown Series 1999, would be $75,000, and that these costs would be paid from funds that are recovered when the 1982 single family revenue mortgage revenue bonds mature on October 1, 1999.

8. Mr. Dave Sanchez of the City Attorney's Office advises that, in accordance with Charter Section 9.107(3), the subject Refunding Bonds would not have to be issued at a lower interest rate than the original single family mortgage revenue bonds, because the bonds were issued for the purpose of establishing a fund to finance home mortgages. According to Mr. LaTorre, the purpose for issuing the subject Refunding Bonds is that:

(a) the City is unable to issue new single family mortgage revenue bonds for the purpose of financing new home mortgages at this time because the Federal government has imposed a cap on the issuance of new single family mortgage revenue bonds, and

(b) by issuing the short-term Refunding Bonds and using the proceeds to redeem the original single family mortgage revenue bonds, the City would be able to use the approximate $12,350,000 in accumulated mortgage payments held in the investment contract, which otherwise would have been used to redeem the original single family mortgage revenue bonds, as a source of funds to finance an estimated 75 to 100 new home mortgages.

9. As explained in the attached memorandum from Mr. LaTorre, the short-term interest-only Refunding Bonds that would be authorized by approval of the proposed resolution would mature on or before April 1, 2003, at which time the redemption of such bonds would require

either (a) payment of the funds accumulated in the investment contract to the short-term bondholder, or (b) issuance of long-term Refunding Bonds. According to Mr. LaTorre, debt service for the long-term Refunding Bonds would be paid from future mortgage repayment revenues, and mortgage interest rates would be set at a level sufficient to pay the debt service of the long-term Refunding Bonds. Also, as explained in Mr. LaTorre's attached memorandum, although the issuance of the proposed Refunding Bonds to redeem the single family mortgage revenue bonds would not result in interest savings to the City, the subject Refunding Bonds would be revenue neutral because (a) the expected rate of return on the mortgage repayments held in the investment contract is sufficient to cover interest payments on the short-term Refunding Bonds, and (b) the bondholder of the short-term Refunding Bonds has no legal claim on the City for repayment of the Bonds.

10. According to Mr. Sanchez, the City has no legal obligation to pay bondholders of either the original single family mortgage revenue bonds or the subject Refunding Bonds. As previously noted, bondholders are to be paid from the mortgage repayments, which include both the scheduled principal payments of the mortgages and the mortgage payoffs when homes are refinanced or sold.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Hm. Rose
Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

MAYOR'S OFFICE OF HOUSING

CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

Marcia Rosen
DIRECTOR

MEMORANDUM

September 9, 1999

To: Severin Campbell, Budget Analyst

From: Joe LaTorre, Planning and Monitoring Director

Subject: Single Family Mortgage Revenue Refunding Bonds (File No. 99-1593)

You have asked me to describe (a) whether the above referenced refunding bonds will result in an interest savings to the City, (b) whether the bond refunding is revenue neutral, and (c) the benefit to the City of issuing the long-term refunding bonds in the future.

(a) The refunding will not result in an interest savings to the City, because the interest rate on the bonds is in fact a function of the interest rate on the mortgages which are financed by the bonds. At the time the original bonds were issued (1982, 1986, 1990 and 1994) the City set the mortgage interest rate at a level which would ensure repayment of principal and interest on the bonds. The rate of interest on the bonds, of course, was a function of the market for tax-exempt financing. Because mortgage interest rates are, in general, related to overall interest rates in the economy, the City was able to offer mortgages to first time homebuyers at interest rates from 1-1/2 to 2 percent lower than prevailing mortgage rates.

The primary purpose of the refunding is to warehouse the repayments under prior bonds in order to permit (at the time of the long-term refunding in 2002 or 2003) the City to issue new first time homebuyer mortgages. It is anticipated that the interest rate on those mortgages will in fact be lower than the rate on the mortgages originally funded in 1982-94, since prevailing interest rates are lower today than during most of that period. If the bonds were issued today, the mortgage interest rate would probably be about 6.5%, compared to interest rates ranging from 7.15% to 10.75% on mortgages from the earlier bonds.

(b) The bonds are revenue neutral for the City for two reasons. The interest rate on the refunding bonds is 80% of the one-month London Inter-Bank Rate (LIBOR). Since the funds held by the bond trustee will be invested in an investment agreement at an interest rate approximately 90-95% of LIBOR, the invested funds will earn sufficient interest to more than cover the bond interest. Because the surplus is positive arbitrage, any monies earned over and above the interest paid to bondholders will be remitted to the U.S. Department of the Treasury so that the bonds will retain their tax-exempt status. In

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addition, because the bonds are not full faith and credit obligations of the City, the bondholder has no claim against any source of repayment other than the investment agreement.

(c) After the City has accumulated sufficient funds in the investment agreement to make a new single-family bond issuance cost-effective (approximately $10 million is necessary), and not later than 2003, the Mayor's Office of Housing will seek approval to issue long-term Single Family Mortgage Revenue Refunding Bonds to pay off the short-term bonds. Funds in the investment agreement will be transferred to the new Bond trustee, and will be lent to low and moderate income first time homebuyers as described in our earlier memo. The mortgages (or possibly mortgage-backed securities from those mortgages) will be held by the new Bond trustee as collateral for the new Bonds. The mortgage principal and interest payments will be structured to pay all bond principal and interest payments for the life of the new Bonds, as with any single family mortgage revenue bond. If, for any reason, the issuance of the new Bonds is not feasible or is not approved, the funds in the investment agreement will be used to defease the short-term Bonds, and no new mortgage program would be established.

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, September 22, 1999 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Tom Ammiano.

Members Absent: Sue Bierman.

Meeting Convened

The meeting convened at 10:05 a.m.

REGULAR AGENDA

990624 **[Healthy Air and Smog Prevention]**

Supervisors Ammiano, Becerril, Bierman, Katz, Leno, Newsom, Yaki

Ordinance amending Administrative Code by adding a new Chapter 85, Sections 85.1 through 85.10, establishing a Clean Air Program within the Department of Administrative Services, establishing a Clean Air Advisory Committee, establishing a program to develop infrastructures for alternative fuel vehicles, establishing criteria for the City's procurement of zero-emission and ultra-low emission vehicles, and encouraging private and regional public entities doing business in San Francisco to use ultra-low and cleaner emission vehicles; amending Traffic Code by adding Section 32.21A to prohibit parking by non-electric vehicles in electric vehicle charging bays; amending traffic code Section 32.22 to provide the authority to remove non-electric vehicles in electric vehicle charging bays.

(Adds Administrative Code Sections 85.1 through 85.10; adds Traffic Code Section 32.21A; amends Section 32.22.)

4/5/99, ASSIGNED UNDER 30 DAY RULE to Public Health and Environment Committee, expires on 5/5/1999.

8/11/99, TRANSFERRED to Finance and Labor Committee. Request it be considered at the August 18, 1999 meeting.

Heard in Committee. Speakers: Supervisor Ammiano; Harvey Rose, Budget Analyst; William Chin, Deputy City Attorney; Rick Ruvulo, Department of Administrative Services; Dave Cowley, Superintendent of Shops, Purchasing Department; Rajiv Bhatia, M.D., Department of Public Health. In Support: Tom Addison, Bay Area Air Quality Management District; Anastasia Yovanopoulos, Noe Valley; Candace Morey, Union of Concerned Scientists; Karen Licavoli, American Lung Association; John Holtzclaw, Sierra Club.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance amending Administrative Code by adding a new Chapter 85, Sections 85.1 through 85.10, establishing a Clean Air Program within the Department of Administrative Services, establishing a Clean Air Advisory Committee, establishing a program to develop infrastructures for alternative fuel vehicles, establishing criteria for the City's procurement of zero-emission and ultra-low emission vehicles, establishing an alternative fuel vehicle purchasing pilot program in the Department of Public Transportation, identifying disel buslines that are appropriate for conversion to electric trolley buslines; establishing a car share program; and encouraging private and regional public entities doing business in San Francisco to use ultra-low and cleaner emission vehicles; amending Traffic Code by adding Section 32.21A to prohibit parking by non-electric vehicles in electric vehicle charging bays; amending Traffic Code Section 32.22 to provide the authority to remove non-electric vehicles in electric vehicle charging bays.

(Adds Administrative Code Sections 85.1 through 85.10; adds Traffic Code Section 32.21A; amends Section 32.22.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991561 **[MBE/WBE/LBE Program]**

Supervisor Yee

Hearing to consider the June 1, 1999 Quarterly Report to the Mayor and the Board of Supervisors on Chapter 12D of the San Francisco Administrative Code - the 1997-1999 Investigation Into Minority/Women Business Participation in City Contracting.

8/9/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

9/15/99, CONTINUED. Heard in Committee Speakers: Supervisor Yee, Beth Arron, Ed Tong, Asian, Inc , Bill Greene, Willie Ratcliffe; Ena Aguirre, Oren Sellstrom, Lawyer's Guild; Jack Williams, Agar Jakes Continued to September 22, 1999

Heard in Committee. Speakers: Marivic Bamba, Executive Director, Human Rights Commission, Douglas Wong, Executive Director, Port of S.F.; Sandra Crumpler, Airport Commission, Harlan Kelly, Department of Public Works; Arnold Baker, Deputy General Manager, Municipal Railway, Ed Harrington, Controller, Supervisor Yee; Kathy Perry; Louise Vaughn; Aaron Yee, Asian, Inc.; Sam Quan, Ted Lakey, Deputy City Attorney; Virginia Harmon, contract compliance, Human Rights Commission; Supervisor Ammiano.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991502 **[Reporting Requirements of City Construction Contractors]**

Supervisors Ammiano, Katz, Bierman

Ordinance amending Administrative Code Section 6.40 to require contractors for public works or improvement projects to provide data regarding their employment and personnel practices and the employment and personnel practices of their subcontractors, and to establish sanctions to be imposed on contractors for any failure to comply with these reporting requirements.

(Amends Section 6.40.)

8/2/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 9/1/1999 9/21/99 - Supervisor Leno requested his name be removed as co-sponsor.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Virginia Harmon, contract compliance, Human Rights Commission; Supervisor Yee; Marivic Bamba, Executive Director, Human Rights Commission, Supervisor Ammiano.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991503 **[Declaring Contractors and Subcontractors Irresponsible Bidders]**

Supervisors Leno, Ammiano, Katz, Bierman

Ordinance amending Administrative Code Section 12B.2 to authorize the Director of the Human Rights Commission to declare contractors and subcontractors who violate the nondiscrimination provisions of city contracts as irresponsible bidders as to future contracts and property contracts, to impose sanctions on such contractors and subcontractors, and to make nonsubstantive clerical revisions.

(Amends Section 12B.2.)

8/2/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 9/1/1999.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Virginia Harmon, contract compliance, Human Rights Commission; Supervisor Yee; Marivic Bamba, Executive Director, Human Rights Commission; Supervisor Ammiano.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991573 **[Appropriation of Bond funds for construction projects at the Community College District]**

Ordinance appropriating $20,392,637, San Francisco Community College District, of Educational Facility Bond proceeds for the acquisition and construction of educational facilities (buildings, structures and improvements) for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

8/11/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Dr. Phillip Day, Chancellor, City College of San Francisco; Ted Lakey, Deputy City Attorney; Supervisor Yee; Supervisor Ammiano. Oppose: Anastasia Yovanopoulos.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $20,460,150, San Francisco Community College District, of Educational Facility Bond proceeds for the acquisition and construction of educational facilities (buildings, structures and improvements) for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

Continued as amended to October 6, 1999.

CONTINUED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991644 **[1999 Finance Corporation Equipment Lease]**

Mayor

Resolution approving the form of and authorizing execution and delivery by the City and County of San Francisco of an Equipment Lease Supplement No. 8 between the City and County of San Francisco Finance Corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to equipment to be used for City purposes, a related certificate of approval and a continuing disclosure certificate; approving the issuance of Lease Revenue Bonds by said nonprofit corporation in an amount not to exceed $9,800,000; providing for reimbursement to the City of certain City expenditures incurred prior to the issuance of Lease Revenue Bonds; and approving for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

(Fiscal impact.)

8/23/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

9/15/99, CONTINUED Continued to September 22, 1999

Continued to September 29, 1999.

CONTINUED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991581 **[Sewer Replacement, Broadway Street]**

Resolution approving the expenditure of funds for the emergency work to replace the structurally inadequate sewer on Broadway from Pierce Street to Scott Street - $148,925. (Public Utilities Commission)

8/12/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Norman Chan, Department of Public Works, Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991582 **[Reserved Funds, Port Commission]**

Hearing to consider release of reserved funds, Port Commission (San Francisco Harbor operating loan proceeds from the Canadian Imperial Bank of Commerce, Ordinance 252-97), in the amount of $25,500 to fund the fire main and engineering services at Pier 50 Sheds A, B, and C. (Port)

8/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Alex Lee, S F Port

APPROVED AND FILED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991617 **[Establishing San Francisco's 1999-2000 Appropriations Limit]**

Resolution establishing the appropriations limit for fiscal year 1999-2000 pursuant to California Constitution Article XIII B. (Controller)

8/17/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Ed Harrington, Controller.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991429 **[Single Room Occupancy (SRO) Hotel Fire Prevention and Stabilization Task Force]**

Supervisors Ammiano, Katz, Bierman

Resolution establishing a Single Room Occupancy (SRO) Hotel Fire Prevention and Stabilization Task Force to make recommendations to the Mayor and the Board of Supervisors and setting forth the membership and duties of the task force.

7/19/99, RECEIVED AND ASSIGNED to Housing and Social Policy Committee.

8/3/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Jakkee Bryson; Kim Stricker.

8/25/99, TRANSFERRED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Ann Kronenberg, Department of Public Health. In Support: Emanual Smith, Jr., Tenants Union; Amy Fishman, MHDC; Anastasia Yovanopoulos, S.F. Tenants Union; Chris Daly. Neither: Roberta Caravelli, Citizens Review.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution establishing a Single Room Occupancy (SRO) Hotel Safety and Stabilization Task Force to make recommendations to the Mayor and the Board of Supervisors and setting forth the membership and duties of the task force.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991378 **[HOPE VI Tenant Protection]**

Supervisor Ammiano

Hearing to consider the creation of a tenant protection act for the purpose of safeguarding the rights of residents at H.O.P.E. VI public housing sites and preserving low-income units.

7/12/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Joyce Miller, Family Rights and Dignity; Ronnie Davis, Executive Director, Housing Authority; Alma Lark, North Beach; Giovanni Catalan, Valancia Gardens; James Tracy, Eviction Defense Network; LaTara Reed, Alice Griffin; Walter Cidlowski, Tenderloin, Vivian Harris, Homeless Prenatal Program (HPP); Ramona Benson, HPP; Shari Sagi, HPP; Roger Strobel, Telegraph Hill Dwellers Association; Ms. Martinez; Carla Robins, HPP; Rebecca Vilkomerson, HPP; Greg Richardson, North Beach Tenant Consultant; Jeri Maxwell, President, Valencia Garden Council; Louise Vaughn; Nancy Frappier, HPP; Cecilia Sheppard, Hayes Valley.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 2 - Ammiano, Yee
Absent: 1 - Bierman

ADJOURNMENT

The meeting adjourned at 1:00 P.M.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 17, 1999

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: September 22, 1999 Finance and Labor Committee Meeting

Item 1 – File 99-0624

Departments: Department of Administrative Services (DAS)
Planning Department
Department of Building Inspection (DBI)
Department of Parking and Traffic (DPT)
San Francisco Transportation Authority
Police Department (SFPD)
Public Transportation Department (PTD)

Item: Ordinance (1) amending Part I of the San Francisco Municipal Code (Administrative Code) by adding Chapter 85 to establish (a) a Clean Air Program within the Department of Administrative Services, (b) a Clean Air Advisory Committee, (c) a program to develop City infrastructures for alternative fuel vehicles, (d) criteria for the City's procurement of ultra-low and zero emission vehicles and (e) a Alternative Fuels Pilot Program; (2) encouraging private and regional entities conducting business in the City to use ultra-low and zero emission vehicles; (3) amending Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) by adding Section 32.21A to prohibit parking by non-electric vehicles in electric vehicle charging bays, and amending

Section 32.22 to provide the authority for the Police Department and the Department of Parking and Traffic to remove non-electric vehicles in electric vehicle charging bays.

Description: The proposed ordinance would amend Part I of the San Francisco Municipal Code (Administrative Code) to add Chapter 85, a new chapter. Chapter 85 would establish:

(a) Clean Air Program

Mr. Rick Ruvolo of the Department of Administrative Services (DAS) reports that DAS has administered the City's Clean Air Program since 1993. However, according to Mr. Ruvolo, the City's Administrative Code has not yet been amended to establish the Clean Air Program within the Department of Administrative Services. Attachment I is a memorandum, provided by Mr. Ruvolo, which explains the differences between the City's FY 1998-1999 Clean Air Program budget of $359,687 and the FY 1999-2000 Clean Air Program budget of $503,948, which was previously approved by the Board of Supervisors. As explained in Attachment I, two new positions (1.25 FTE) were approved in the DAS FY 1999-2000 budget for the Clean Air Program. Mr. Ruvolo states that the primary goals of the City's proposed Clean Air Program would be to support the use of ultra-low and zero emission vehicles and to develop City programs to reduce emissions from vehicles owned by private and public entities.

(b) Clean Air Advisory Committee

A 12-member Clean Air Advisory Committee, consisting of eight representatives from various City departments (appointed by their respective department heads) and four representatives from environmental organizations and the public (appointed by the Board of Supervisors), would advise the Board of Supervisors in matters related to the reduction of air pollution in the City, including the purchase of ultra-low and zero emission vehicles and the development of City infrastructures to support the use of such vehicles.

(c) Infrastructure Development for Alternative Fuel Vehicles

Not later than 18 months from the effective date of the proposed ordinance, the following actions would be taken:

The Planning Department, in cooperation with the Department of Building Inspection, would coordinate the siting and development of at least five public access natural gas fast fueling stations throughout the City.

The Department of Parking and Traffic, in consultation with Department of Building Inspection, would implement a pilot program to install a total of 50 public access electric charging bays in at least six City-owned garages, parking lots and/or other sites accessible to the public.

(d) Procurement Criteria for Ultra-Low and Zero Emission Vehicles and Motorized Alternative Fuel Equipment

Beginning 90 days from the effective date of the proposed ordinance, all City departments would be required to purchase or lease only (1) passenger vehicles and light duty trucks that are rated as ultra-low and zero emission vehicles, (2) medium duty vehicles with engines that are rated as ultra-low or super ultra-low emission engines, and (3) heavy duty vehicles with engines that are certified under the optional standards for their exhaust emissions as established by the California Air Resources Board.

In addition, beginning July 1, 2000, at least 10 percent of the passenger vehicles and light duty trucks purchased or leased by the City must be zero emission vehicles.

The above-noted emission requirements would not apply to any motor vehicles that are used for public safety purposes such as police vehicles, fire vehicles, ambulances and other emergency vehicles or to the acquisition of buses by the Public Transportation Department for the Municipal Railway. In addition, the Director of the Department of Administrative Services would be

authorized to grant an exemption from these emission requirements to other City departments in cases wherein:

- No model of motor vehicle or motorized equipment is available which would comply with the proposed emission requirements and meet its intended use by a City department; and/or
- A City department demonstrates each of the following: (1) the initial cost of a ultra-low and zero emission motor vehicle or motorized equipment is more than one and a half times the cost of a motor vehicle or motorized equipment powered by gasoline or diesel fuel, (2) non-General Fund monies are not available for the purchase or lease of a ultra-low and zero emission motor vehicle or motorized equipment, and (3) the cost differential between a ultra-low or zero emission motor vehicle or motorized equipment and a motor vehicle or motorized equipment powered by gasoline or diesel fuel cannot be recovered over the operational life of the ultra-low and zero emission motor vehicle; and/or
- The use of a motor vehicle or motorized equipment that complies with the proposed emission requirements would disrupt departmental operations due to lack of adequate alternative fuel stations or maintenance facilities.

Moreover, beginning on the effective date of the proposed ordinance, all City departments would be required to purchase or lease only motorized equipment that is powered by alternative fuels.

(e) Alternative Fuels Pilot Program

Beginning on the effective date of the proposed ordinance, the Public Transportation Commission (PTC), with input from the San Francisco Transportation Authority, would implement an alternative fuels pilot program to evaluate the efficacy of using alternative fuel buses to reduce air pollution while maintaining the current level of service and safety. According to the proposed ordinance, the alternative fuels pilot program would consist of testing both compressed natural gas and hybrid diesel/electric buses in the City. The proposed ordinance also states

that the PTC must identify diesel bus lines that are appropriate for conversion to electric trolley lines and phase out diesel buses that have been in service for a time period greater than the time period set forth in federal funding guidelines.

Chapter 85 of the Administrative Code would also encourage private and regional entities conducting business in the City to use ultra-low or zero emission vehicles.

The proposed ordinance would also amend Part II, Chapter XI of the San Francisco Municipal Code (Traffic Code) to add Section 32.21A to prohibit non-electric vehicles from parking in electric charging bays located in City-owned garages or parking lots by making such an act an infraction punishable by a fine of between $100 and $200, and amend Section 32.22 to authorize the staff of the Police Department and the Department of Parking and Traffic to remove and impound any non-electric vehicles parked in a electric charging bay located in a City-owned garage or parking lot. Currently, non-electric vehicles are not prohibited from parking in electric charging bays and therefore may not be removed from such bays by the Police Department and the Department of Parking and Traffic staff.

Comments:

1. The proposed ordinance includes a provision that would establish an alternative fuels pilot program. However, as presently written, the title of the proposed ordinance does not state that this legislation contains the above-noted provision. Mr. William Chan of the City Attorney's Office explains that such statements were inadvertently omitted from the title of the proposed ordinance.

2. The proposed ordinance also includes a provision that states that grant-funding obtained by City departments for the purchase or lease of ultra-low and zero emission vehicles or motorized alternative fuel equipment may only be used to fund the difference in purchase or lease price between the ultra-low and zero emission vehicles or motorized alternative fuel equipment and the gasoline or diesel fueled motor vehicles and

motorized equipment that would otherwise be purchased or leased. This requirement may not apply to demonstration and pilot projects, wherein grant funding may be used to fund the entire purchase or lease price of the ultra-low and zero emission vehicles or motorized alternative fuel equipment.

The Costs of Implementing the Proposed Ordinance

3. According to the Office of the Sponsor, Clean Air Advisory Committee members would serve as representatives of their respective City departments and as such, would not receive any additional compensation for serving on the Committee.

4. Mr. Costelino Hogan of the Planning Department states that the construction and operation of the proposed five public access natural gas fueling stations within the City would be entirely funded by private developers. Mr. Hogan states that the Planning Department intends to use existing departmental staff to identify such private developers and assist the developers in planning and developing the proposed five public access natural gas fueling stations within the City.

5. Attachment II, provided by Ms. Julia Dawson of the Department of Parking and Traffic (DPT), contains an estimate totaling $225,000 in one-time costs for the installation of 50 public access electric charging bays in City-owned garages.

6. Also in Attachment II, referring to DPT's cost to remove and impound non-electric vehicles parked in electric charging bays, Ms. Dawson states that "Although we have minimal experience with electric charging bays in public facilities and do not know how many violations we would be asked to enforce, we think that enforcing this legislation would not significantly increase the department's current cost of enforcement." Ms. Dawson advises that she cannot estimate the annual revenue that the DPT would realize from the proposed fines for parking a non-electric vehicle in an electric charging bay.

7. Mr. Mark Goldstein of the Public Transportation Department (PTD) reports that the total estimated one-time cost of proposed alternative fuels pilot program, which consists of testing both compressed natural gas and hybrid diesel/electric buses for a two-year period in the City, is $3,167,380. Attachment III is a budget, provided by Mr. Goldstein, containing supporting details on this one-time cost of $3,167,380. Mr. Goldstein states that the PTD intends to evaluate the performance of four (4) alternative fuel buses, including two compressed natural gas buses and two hybrid diesel/electric buses, during the proposed pilot program in order to determine the feasibility for their continued and expanded use throughout the City. Therefore, annual operation and maintenance costs for such vehicles beyond the two-year pilot program have not yet been determined, according to Mr. Goldstein.

8. Attachment IV, provided by Mr. Ara Minasian of the City's Purchasing Department, contains an estimate of the City's increased costs in FY 1999-2000, totaling $1,215,000, to purchase vehicles which would comply with the proposed criteria for the City's procurement of ultra-low and zero emission vehicles. Of this projected amount of $1,215,000, the estimated fiscal impact to General Fund supported City departments would be $450,000 and to non-General Fund supported City departments would be $765,000, as shown on Page 2 of Attachment IV. Mr. Minasian states that because City departments will have purchased some gasoline and diesel powered vehicles, instead of ultra-low and zero emission vehicles, before this proposed subject ordinance is approved, the above-noted cost estimate of $1,215,000 is overstated. Nevertheless, as of the writing of this report, DAS cannot provide a more precise cost estimate, according to Mr. Minasian.

<u>Available Funding Sources to Implement the Proposed Ordinance</u>

9. Ms. Dawson anticipates that the installation of the 50 electric charging bays in City-owned garages, whose total estimated one-time cost is $225,000, would be entirely funded from grant monies from the following entities:

- Electric vehicle-makers such as General Motors, Honda and Ford Companies ($25,000)
- The Bay Area Air Quality Management District ($153,000)
- The United States Department of Energy and/or other BAAQMD grant funds ($47,000)

Mr. Goldstein anticipates that the alternative fuels pilot program, whose total estimated one-time cost is $3,167,380, would be entirely funded from grant monies from the following entities:

- The San Francisco Transportation Authority
- The Bay Area Air Quality Management District

Mr. Minasian anticipates that in FY 1999-2000, the estimated increased cost of $450,000 for General Fund supported City departments to purchase ultra-low and zero emission vehicles would be partially funded from grant monies, totaling $385,000, from the following entities:

- The San Francisco Transportation Authority
- The Bay Area Air Quality Management District

According to Mr. Minasian, other grant funds from the Bay Area Air Quality Management District will become available in FY 1999-2000 for the City to fund the additional $65,000 (total estimated cost of $450,000 less subject grant funds of $385,000).

Mr. Minsasian also anticipates that in FY 1999-2000, the estimated increased cost of $765,000 for non-General Fund supported City departments to purchase ultra-low and zero emission vehicles would be partially funded from a grant award of $120,000 from the San Francisco Transportation Authority to the Airport. Mr. Minasian states that the DAS has not yet identified other funding sources for this project.

10. Mr. Ruvolo states that vehicles powered by alternative fuels, such as electricity and compressed natural gas, are less expensive to operate and maintain

than gasoline or diesel powered vehicles since alternative fuels are 25 to 50 percent less costly than gasoline or diesel and vehicle engines powered by alternative fuels require less routine maintenance than gasoline or diesel engines. However, as of the writing of this report, he is unable to estimate the amount of cost-savings that the City would realize from the operation and maintenance of such alternative fuel vehicles.

11. In summary, in order to implement this ordinance, according to data provided by the Department of Parking and Traffic, the Public Transportation Department and the Department of Administrative Services, in FY 1999-2000, the City would be required to expend total estimated one-time costs of $3,392,380 (including $225,000 for the installation of 50 electric charging bays in City-owned garages and $3,167,380 for the alternative fuels pilot program) and total increased costs, which are estimated at a maximum of $1,215,000 for FY 1999-2000. It is anticipated that the primary funding source of such costs will be grant funds.

Recommendations:

1. In accordance with Comment No. 1 above, amend the title of the proposed ordinance to state that this legislation contains a provision that would establish an alternative fuels pilot program.

2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

MEMORANDUM

To: Gabriel Cabrera
Budget Analyst's Office

From: Rick Ruvolo
Department of Administrative Services

C: Ara Minasian
DAS, Finance Director

Subject: File 99-0624

Date: September 3, 1999

In response to your request for information, please see our comments listed below.

Alternative (or "clean") fuels activities were first organized in the Office of the Chief Administrative Officer approximately 10 years ago. In 1993, the City Employees Commute Assistance Program (CECAP) was developed to reduce vehicle emissions by eliminating automobile *trips* made by city employees. Rick Ruvolo, the coordinator of this program, was also directed to coordinate the City's alternative fuels activities.

In early 1999, CECAP was renamed the *Clean Air Program(CAP)* to better reflect the program's comprehensive efforts to improve air quality. Ruvolo continues as the manager of this program, still overseeing trip reduction projects and coordinating the clean air efforts of a Department of Administrative Services coalition consisting of DAS staff in Purchasing, Central Shops, and Finance.

CECAP/CAP currently consists of 2.0 (FTE) administrative/project management staff and 2 employee shuttle drivers. Projects developed and managed by CECAP/CAP staff include the Hall of Justice Shuttle, Employee Commute Information, the pre-tax Commuter Check Project, the Hall of Justice Videoconferencing Project, the Spare the Air Project and Vanpool and Bicycle Projects including Bike to Work Day.

In addition to the above trip reduction efforts, CECAP/CAP staff have received grant awards to support:

-the development of a compressed natural gas fueling facility at the Presidio of SF;

-the establishment of electric vehicle charging infrastructure in SF and throughout the SF Bay Area;

-pilot projects demonstrating: 1)the use of compressed natural gas in 30 SF taxicabs, 2)the use of liquefied natural gas, compressed natural gas and hybrid electric garbage and recycling trucks, 3) the use of bicycles by the San Francisco Police Dept. and other city employees.

Since its inception, CECAP/CAP has been funded entirely from non-general fund (grant) sources. Given the expansion of program activities and the anticipation of further expansion mandated by the Healthy Air Program legislation (File 99-0624) pending before the Board of Supervisors, funds for 1.25 (additional)FTE were approved as part of the FY99/00 General Fund budget process. (1998-99 budget totaled $359,687. Approved budget for 1999-00 totals $503,948 which includes the additional 1.25 FTE @$71,176, plus fringe benefits and supplies @ $16,413 and $13,000 respectively).

It is hoped that these additional positions will be hired during Oct/Nov. 1999. Responsibilities will include project management assistance with ongoing alternative fuel projects, as well as the following:

-assessment of evolving clean air vehicle technology;
-education of City departments and promotion of clean fuel vehicles;
-review of requests for exemptions to clean air vehicle policies;
-funding and development of fueling infrastructure;
-reporting;
-staff support to the new Clean Air Advisory Committee;
-leadership and outreach into the private sector to promote the use of clean fuels; and
-other responsibilities, as directed, resulting from the implementation of the Healthy Air Program legislation.

Please let me know if you have additional questions. Thank you.

SAN FRANCISCO
DPT
DEPARTMENT OF PARKING & TRAFFIC

Attachment II
Page 1 of 2

WILLIE LEWIS BROWN, JR., Mayor
STUART R. SUNSHINE, EXECUTIVE DIRECTOR

MEMORANDUM

To: Budget Analyst, Board of Supervisors

From: Julia Dawson, Deputy Director

Subject: Costs associated with installing charging bays in City garages

Date: September 9, 1999

I had discussions with Rick Ruvolo and Tom Adams of Administrative Services about the cost of installing charging stations at City garages.

Charging stations cost between $300 and $1,000 depending on the type of charger (inductive or conductive). The construction in the garages is the expensive part of the installation because it requires trenching for electrical condui and varies in cost depending on the age and construction of the facility and the distance between the charging site and access to the electric panel. If we have to core drill in concrete or guide ourselves around the metal supports in the concrete, it increases the cost of construction.

Based on experience in other facilities, Tom Adams estimated that the cost per facility of installing charging station is between $12,000 and $15,000. So, if we pick 15 sites and install 50 total chargers, it would cost the City approximately $225,000.

According to Tom Adams, the electric vehicle manufacturers would probably be willing to provide some funding assistance for some of these locations. He estimated that the City could receive between $25,000 and $40,000 in funding for installing charging stations. The Department of Administrative Services already has received a grant for $153,000 that it plans to use to support the installation of charging stations. The City has also received other fundin from the Bay Area Air Quality Management District and the Department of Energy that could be used to support th installation of these stations.

Here is a possible scenario for the sources of funds for charger installations:

Estimated Cost	$225,000 (assumed $15,000 per location)
Grant	($153,000)
Vehicle Manufacturer's Grant	($ 25,000) (assumed low end of range)
Dept. of Energy or BAQMD Grant Funds	($ 47,000)
Estimated Net Cost	$ 0

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DPT
EPARTMENT OF PARKING & TRAFFIC

Attachment II
Page 2 of 2

ILLIE LEWIS BROWN, JR., Mayor
TUART R. SUNSHINE, EXECUTIVE DIRECTOR

ere is the information you asked for on the cost of enforcement:

)ur garage operators currently call parking control officers to cite for the inappropriate use of handicapped spaces in ur public parking garages. Although we have minimal experience with electric charging bays in public facilities nd do not know how many violations we would be asked to enforce, we think that enforcing this legislation would ot significantly increase the department's current cost of enforcement.

(415) 554-PARK FAX (415) 554-9834 25 Van Ness Avenue, Suite 410 San Francisco, CA 941C

MUNI

Potential Budget and Funding Schedule for Alternative Fuels Demonstration Project

DEDICATED CNG VEH.	TFCA Regional Fund (Fund Source)	TFCA Program Manager (Fund Source)	Proposition B or Other Funds (Fund Source)	TOTAL
R&D Phase			$30,000	$30,000
Vehicle Procurement	$200,000	$425,000	$75,000	$700,000
Fueling/Maint/etc. for CNG	$200,000	$20,000		$220,000
MUNI Eng/Support	$100,000	$90,000		$190,000
Testing & Evaluation Equip.		$50,000		$50,000
Contingency			$180,000	$180,000
Total	$500,000	$585,000	$285,000	$1,370,000

DSL HYBRID VEHICLES	TFCA Regional Fund (Fund Source)	TFCA Program Manager (Fund Source)	Proposition B or Other Funds (Fund Source)	TOTAL
R&D Phase			$75,000	$75,000
Vehicle Procurement	$506,000		$732,380	$1,238,380
Fueling/Maint/etc. for CNG			$0	$0
MUNI Eng/Support			$175,000	$175,000
Testing & Evaluation Equip.			$125,000	$125,000
Contingency			$184,000	$184,000
Total	$506,000	$0	$1,291,380	$1,797,380

Total Project:	$3,167,380

Total Project Costs By Phase	
R&D Phase	$105,000
Vehicle Procurement	$1,938,380
Fueling/Maint/etc. for CNG	$220,000
MUNI Eng/Support	$365,000
Testing & Evaluation Equip	$175,000
Contingency	$364,000
Total	$3,167,380

Total Funding By Source			
TFCA Regional Fund	TFCA Program Manager	Proposition B or Other Funds	TOTAL
$1,006,000	$585,000	$1,576,380	$ 3,167,380
32%	18%	50%	100%

Assumes 4 vehicles: 2 dedicated CNG, 2 hybrid Diesel/Electric
Proposition B funding through Vehicles Line Item, TA #16

Attachment IV
Page 1 of 4

DEPARTMENT OF
ADMINISTRATIVE SERVICES

WILLIE L. BROWN, JR.
MAYOR

STEVEN D. NELSON
DIRECTOR

September 8, 1999

To : Gabe Cabrera
Budget Analyst

From : Ara Minasian AM
Financial Manager

Subject: Costs of clean air vehicles; grant funds

The following summarizes the information that you, Rick Ruvolo, and I discussed last week in regard to the proposed Healthy Air and Smog Prevention ordinance.

Costs of clean air vehicles

To serve as a basis for estimating the increased costs to the City of purchasing clean air vehicles, I used the FY 99-00 equipment budget for vehicles. This year's budget includes the following vehicles:

Vehicle Category	G/F Supported Departments	Non-G/F/ Supported Departments	Total
General purpose autos	47	84	131
Pickups	15	81	96
Vans	31	11	42
Emergency vehicles	155	0	155
Other	60	44	104
Total	308	220	528

After the proposed ordinance is in effect, the City will be mandated to purchase clean air vehicles; however, there will be certain exemptions from this requirement. Rick Ruvolo, Dave Cowley (Central Shops) and I have reviewed this year's vehicle budget, for the purpose of estimating the proportion of vehicles that most likely would be exempted, based on our understanding of the clean air vehicle market and departments' needs. Our (very rough) estimates are as follows:

CITY HALL, ROOM 362, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102-4683
TELEPHONE (415) 554-6171; FAX (415) 554-6177

Vehicle Category	% Exempted	% Clean Air Vehicles
General purpose autos	0	100
Pickups	25	75
Vans	50	50
Emergency vehicles	100	0
Other	90	10

Comments on these percentages:

- For pickup trucks and vans, departments frequently need models (e.g., crew cab) or special equipment (e.g., utility bed) that are not available in clean fuel models.
- Emergency vehicles are exempted from the requirement entirely—although both the Police and Fire Departments have acquired some clean air vehicles already and have indicated their intent to continue doing so for a portion of their fleets.
- Most of the vehicles in the "other" category are large heavy-duty vehicles that are not available in clean fuel models at this time.
- The above percentages may change over time in favor of more clean air vehicles, as the technologies and markets continue to develop.

The current incremental costs of light duty clean air vehicles vary from $3,500 to $8,000 per vehicle. Incremental costs are lower for CNG vehicles, higher for electric. Currently, most of the clean air vehicles the City is purchasing are CNG vehicles. Incremental costs for heavy duty and other vehicles vary widely.

Using the City's FY 99-00 vehicle budget; the exemption factors listed above; and average incremental costs of $4,500 and $20,000 for light duty and heavy duty vehicles, respectively, results in the following estimates of total incremental costs:

• G/F supported departments	$450,000
• Non-G/F supported departments	765,000
• Total	$1,215,000

Please note the following in regard to the above cost estimates:

- For FY 99-00, the above estimates are overstated, because departments will already have purchased many vehicles before the proposed ordinance will be in effect. Administrative Services and Purchasing staff are seeking the cooperation of departments in complying with the proposed ordinance immediately, but some vehicles undoubtedly will be purchased in gasoline form before the ordinance takes effect.

- The above figures do not include any cost estimates for stationary and motorized equipment such as grounds maintenance equipment used by the Recreation and Park Department. You will need to contact Rec/Park directly on that subject.

- In some cases, the amounts that departments have budgeted in the FY 99-00 budget will be sufficient to cover the incremental costs for clean fuel models.

- Some of the vehicles in this year's budget are budgeted for lease-purchase through the San Francisco Finance Corporation. As a result, the incremental cost of acquiring clean air vehicles would be spread over the term of the leases.

- The fiscal impact in future years will be greater or less than the figures shown above, depending on the size of the City's future vehicle budgets. This year's budget for vehicles is larger than the average budget over the past several years, for both G/F supported and non-G/F supported departments.

- Incremental costs are expected to decline as the markets for clean air vehicles grow.

<u>Grant and Incentive funds</u>

To some extent, grants and incentive funds from outside sources will offset the incremental costs described above. The primary source of funds is the Transportation Fund for Clean Air (TFCA), administered by the Bay Area Air Quality Management District (BAAQMD). At this time, the Department of Administrative Services has the following TFCA grant and incentive funds available for FY 99-00:

• Remaining grant funds from FY 98-99	$265,000
• FY 99-00 incentive funds	120,000
• Total	$385,000

Additional FY 99-00 TFCA funds are likely to become available through the portion of the TFCA program that is administered by the San Francisco County Transportation Authority (SFCTA). In FY 98-99, we were awarded $100,000 in such funds from the SFCTA, and we expect to receive comparable amounts this year and in the future.

Our intent is to apply a large portion of the available grant and incentive funds to the vehicle purchases of G/F supported departments. Thus, for FY 99-00 purchases by G/F supported departments, grants will significantly offset the incremental costs of anticipated clean air vehicle purchases—because we have two years' worth of grants available for one year's purchases. In future years, grant programs will cover a smaller proportion of vehicle purchases, unless new grants become available.

For non-G/F supported departments, the only grant funding we are currently aware of is $120,000 in TFCA Incentive funds that were recently awarded to the Airport.

For reference, I am attaching a table of all of the clean air vehicle grants awarded to the Department of Administrative Services since FY 92-93. This table does not include some grants that were awarded directly to other departments, e.g., Airport, Public Works, Parking and Traffic, and Municipal Railway.

Please call me at 554-6215 if there are any questions.

c: Dave Cowley
Rick Ruvolo
Karen Hong
Bill Lee

Items 3 and 4 – Files 99-1502 and 99-1503

Department: Human Rights Commission (HRC)

Item: File 99-1502

Ordinance amending Chapter 6 of the Administrative Code by amending Section 6.40 to (a) require City contractors for public works or improvement projects to provide data regarding their employment and personnel practices and the employment and personnel practices of their subcontractors, and (b) establish sanctions on contractors for failure to comply with such reporting requirements.

File 99-1503

Ordinance amending Chapter 12B of the Administrative Code by amending Section 12B.2 to authorize the Director of the HRC to (a) declare contractors and subcontractors who violate the nondiscrimination provisions of City contracts as "irresponsible bidders", thereby prohibiting them from bidding for City contracts and leases for up to two years, or until they provide assurance of future compliance with the City's nondiscrimination contract provisions; (b) impose sanctions on such contractors and subcontractors for failure to comply with such nondiscrimination provisions; and (c) make non-substantive clerical revisions to Chapter 12B.2.

Description: The proposed amendment to Section 6.40 of the Administrative Code (File 99-1502) would (a) require City contractors to submit currently required prevailing wage and employee information for their companies and for their subcontractors' companies, in a format designated by the Director of the HRC; (b) give the Director of the HRC access to that data; and (c) impose sanctions on contractors who fail to provide all the required data. Non-compliant contractors would be subject to the penalties as outlined in the attached memorandum (Attachment I) provided by Ms. Virigina Harmon and Ms. Nichole Truax of the HRC.

The proposed amendment to Section 12B.2 of the Administrative Code (File 99-1503) would authorize the Director of the HRC to impose the same sanctions on City contractors and subcontractors who violate the nondiscrimination provisions of their City contracts or subcontracts as can be imposed under Chapters 12B by the City departments which award the contracts or subcontracts (see Comment No. 3 below).

Comments:

1. In Attachment I, Ms. Harmon and Ms. Truax state that while the penalties proposed in Section 6.40 are new (File 99-1502), their primary purpose is to provide strong incentives for contractors to submit their workforce data in a timely manner. Therefore, it is not anticipated that the new penalties will generate any significant revenue for the City, according to Ms. Harmon and Ms. Truax.

2. In the second attached memorandum (Attachment II), Ms. Harmon and Ms. Truax also state that the proposed amendment to Section 6.40 of the Administrative Code (File 99-1502) would streamline the information gathering process.

3. Ms. Harmon and Ms. Truax also state in Attachment II that implementation by the HRC of the proposed amendment of Section 12B.2 of the Administrative Code (File 99-1503) would have no additional significant fiscal impact on the HRC's existing costs because "The HRC already evaluates complaints and issues findings of discrimination under Chapter 12B." The sole purpose of the proposed amendment is to authorize the Director of the HRC to be able to impose the same sanctions on City contractors or subcontractors who violate the City's nondiscrimination provisions as can be imposed by the City departments which awarded the contracts or subcontracts. However, Ms. Harmon and Ms. Truax advise that, under the proposed amendment to Section 12B.2, penalties could not be imposed twice for a single Chapter 12B violation. Therefore, for example, if the Director of the HRC imposed sanctions on an individual contractor or subcontractor, then the City department which awarded that contract or subcontract would not also be able to impose the same sanctions.

Recommendation: Approve the proposed ordinances.

City and County of San Francisco

Willie Lewis Brown, Jr.
Mayor

Human Rights Commission

Equal Opportunity & Minority/Women/Local Business Enterprise
Nondiscrimination in Employment, Public Accommodations & Housing
Lesbian, Gay, Transgender & HIV
Youth & Education

Marivic S. Bamba
Executive Director

MEMORANDUM

Date: September 3, 1999

To: Alan Gibson, Budget Analyst

From: Virginia Harmon, Contract Compliance Officer
Nichole Truax, Special Assistant

Re. Proposed Section 6.40 of the Administrative Code

Summary of graduated penalties: Failure to turn in data would result in $1,500.00 withholding per employee per month. If contractors fail to submit the data within 30 days after the due date, in spite of the withholding, the contractor shall forfeit $150.00 of the impounded funds for each employee whose workforce data the Director found to be delinquent. If they fail to provide the data within six months, all funds impounded shall be forfeited to the City.

These penalties are new. The penalties are intended to force contractors to submit the workforce data in timely manner. Therefore, it is anticipated that these penalties will not result in a significant revenue to the city. Once contractors' progress payments are withheld, it is anticipated that contractors will quickly come into compliance.

25 Van Ness Avenue, Suite 800
San Francisco
California 94102-6033
Website: http://www.ci.sf.ca.us/sfhumanrights

TEL (415) 252-2500
FAX (415) 431-5764
TDD (415) 252-2550
E-mail: sfhumanrightscom@ci.sf.ca.us

City and County of San Francisco

Willie Lewis Brown, Jr.
Mayor

Human Rights Commission

Contract Compliance
Dispute Resolution/Fair Housing
Minority/Women/Local Business Enterprise
Lesbian Gay Bisexual Transgender & HIV Discrimination

Marivic S. Bamba
Executive Director

MEMORANDUM

To: Alan Gibson, Budget Analyst
Mike Farra, Supervisor's Newsom's Office

From: Virginia Harmon, HRC VH
Nichole Truax, HRC NT

Date: August 11, 1999

Re: Fiscal Impact of Amendments to Chapter 12B and Section 6.40

Chapter 12B of the Administrative Code provides that the Human Rights Commission (HRC) is the implementing agency for the City's Non-discrimination in Contracts provisions. The proposed amendment to Chapter 12B of the Administrative Code would give the HRC the authority to impose sanctions to enforce these provisions.

This amendment would not have a significant fiscal impact on the City. The HRC already evaluates complaints and issues findings of discrimination under Chapter 12B. This amendment will simply allow the HRC to enforce the provisions it is obligated to monitor. Currently, the HRC has the authority to impose similar sanctions under the 12D ordinance (M/WBE Utilization Ordinance). The authority to sanction has imposed no significant fiscal impact on the City.

The proposed amendment to Chapter 6.40 of the Administrative Code is intended to streamline the City's monitoring of Construction Contractors' workforces. Presently, the Human Rights Commission requires the submission of workforce tracking forms to ensure that the Contractors are in compliance with the City's diversity goals under Chapter 12B. At the same time, contract awarding authorities also require the submission of workforce information in the form of Certified Payroll to ensure that Contractors on construction projects comply with the prevailing wage provisions of the Administrative Code.

This amendment is intended to consolidate these burdensome efforts so that the City will able to monitor workforces more efficiently. In fact, there will be a positive fiscal impact (savings) to the City in that contractors presently bill the

City through contract administrative costs for all paperwork required under the terms of the contract. Thus, this amendment prevents the need to submit workforce data twice.

Thank you for your efforts in ensuring this amendment goes through. If you have any questions, please do not hesitate to contact us at (415) 554-3100 or (415) 252-2502

Item 5 – File 99-1573

Department:	San Francisco Community College District (SFCCD)
Item:	Ordinance appropriating $20,460,150 of General Obligation Bonds (Educational Facility Bonds, 1997 - SFCCD) Series 1999A proceeds for the acquisition, construction, and upgrading of educational facilities at the San Francisco Community College District, costs of issuance, and debt service for fiscal year 1999-2000.
Amount:	$20,460,150
Source of Funds:	General Obligation Bonds (Educational Facility Bonds, 1997 – SFCCD) Series 1999A, hereafter referred to as "Educational Facility Bonds, Series 1999A".

Description:

On June 3, 1997, a total of $50,000,000 in General Obligation Bonds for the acquisition, construction, and/or reconstruction of SFCCD educational facilities was approved by the electorate. Educational Facility Bonds, Series 1999A were issued on June 16, 1999 to fund the acquisition, construction and/or reconstruction of educational facilities for the SFCCD. According to Ms. Laura Opsahl-Bordelon of the Mayor's Office of Public Finance and Economic Development, the total Bond proceeds for Educational Facility Bonds, Series 1999A are in the amount of $20,460,150.

The subject supplemental appropriation would appropriate $20,460,150 in bond proceeds for the following: (a) $9,095,793 for the acquisition of land to be used for campuses for the SFCCD in Chinatown and the Mission District; (b) $2,745,715 for health and safety upgrades; (c) $250,457 for disability access improvements; (d) $2,003,834 for renovation projects; (e) $5,967,427 for technology, network, and electrical upgrades; (f) $250,000 for childcare facilities; (g) $79,211 for bond issuance costs; and (h) $67,713 for debt service costs (accrued interest payments and a portion of the underwriter's premium).

Budget: The budget is summarized as follows:

Purpose of Appropriation	Incurred as of 06/30/99	Not Yet Expended	Total Estimated Costs
Land acquisitions (Chinatown/Mission District)	$9,095,793	$0	$9,095,793
Health and safety upgrades	1,120,715	1,625,000	2,745,715
Disability access improvements	0	250,457	250,457
Renovation projects	1,278,834	725,000	2,003,834
Technology, network, and electrical Upgrades	882,427	5,085,000	5,967,427
Childcare facilities	0	250,000	250,000
Subtotal	$12,377,769	$7,935,457	$20,313,226
Bond Issuance Costs	0	79,211	79,211
Debt Service	0	67,713	67,713
TOTAL	**$12,377,769**	**$8,082,381**	**$20,460,150**

Together, Attachments I and II, provided by Mr. Peter Goldstein of the SFCCD, contain a budget for the capital improvements projects in the amount of $20,313,226 which would be totally funded by the Educational Facility Bonds, Series 1999A.

Attachment I contains a budget for SFCCD capital improvement expenditures in the amount of $12,377,769 which were incurred by the SFCCD as of June 30, 1999. Attachment II contains a budget for SFCCD capital improvement expenditures in the amount of $7,935,457 which are planned to be expended as of March 2001. Together, the capital improvement projects in Attachments I and II total $20,313,226, as shown in the Subtotal in the table above.

Comments: 1. In November 1997, the Board of Supervisors authorized and directed the sale of General Obligation Bonds (Educational Facility Bonds, 1997 – SFCCD) Series 1998B not to exceed $17,000,000 (Resolution No. 1027-97). The issuance of General Obligation Bonds

(Educational Facility Bonds, 1997 – SFCCD) Series 1998B was delayed due to litigation related to Proposition D which had been placed on the same June 3, 1997 ballot to authorize the City to issue Football Stadium Bonds to finance a portion of a new stadium development project at Candlestick Park. This litigation delayed bond counsel issuing a final opinion on the validity of the SFCCD bonds. Consequently, the SFCCD requested that additional bond funds be issued to cover project costs for an additional year. On March 1, 1999 the Board of Supervisors authorized and directed the sale of Educational Facility Bonds, Series 1999A not to exceed $23,000,000 (File 99-0197), thereby replacing the previous authorization of $17,000,000. This represented an increase of $6,000,000, or approximately 35 percent.

Educational Facilities Bonds, Series 1999A were issued on June 16, 1999 (File 99-1154). According to Ms. Opsahl-Bordelon, the total Bond proceeds for Educational Facility Bonds, Series 1999B are in the amount of $20,460,150.

2. On February 26, 1999 Mr. Goldstein submitted to the Finance Committee of the Board of Supervisors a budget breakdown of the proposed $20,313,226 capital improvements budget to be funded by Educational Facilities Bonds, Series 1999A. The capital improvements budget in the amount of $20,313,226 shown in the Table on the previous page shows how the budget is currently allocated. Although the total budget of $20,313,226 remained unchanged, between February and September 1999 there have been various shifts in the allocation of funds between component capital improvement projects. Attachment III is a memorandum provided by Mr. Goldstein which identifies such budget reallocations and explains why they have occurred.

3. As shown in Attachment I, SFCCD capital improvement project expenditures in the amount of $12,377,769, or approximately 61 percent of the subject $20,313,226 capital improvements budget, have already been incurred as of June 30, 1999, prior to obtaining Board of Supervisors approval. Attachment IV is a memorandum from Mr. Goldstein which explains why the

SFCCD incurred expenditures of $12,377,769 of the subject requested funds prior to obtaining appropriation approval from the Board of Supervisors.

Recommendation: Because expenditures of approximately 61 percent, or $12,377,769, of the total requested capital improvement budget of $20,313,226 have already been incurred by the SFCCD prior to obtaining appropriation approval from the Board of Supervisors, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
BOND FUND EXPENDITURES ALREADY INCURRED

Site	Projects	Expenditures Through June 30,1999
Phelan - Batmale Hall	Computer Network Installation	$66,526
50 Phelan Ave	Health & Safety - Drainage system	$29,732
	Renovation - Interior *	$12,043
Phelan - Cloud Hall	Computer Network Installation	$56,075
50 Phelan Ave	Health & Safety - Boiler Room	$7,402
	Health & Safety - Fire Life Safety system	$67,622
	Renovation - Interior	$17,213
Phelan - Conlan Hall	Computer Network Installation	$82,413
50 Phelan Ave	Computer Network Installation	$97,035
	Electrical Upgrade	$8,725
	Renovation - Interior	$9,843
	Renovation - Interior	$1,949
	Renovation - Interior	$84,594
Phelan - Creative Arts Bldg	Renovation - Interior	$71,383
50 Phelan Ave	Health & Safety - Elevator	$23,004
Phelan - Creative Arts Extension	Health & Safety - Roof	$10,920
50 Phelan Ave	Health & Safety - Emergency Power	$15,523
Phelan - Diego Rivera Theatre	Renovation - Interior	$14,646
50 Phelan Ave		
33 Gough St	Computer Network Installation	$34,748
Phelan - Horticulture Bldg	Renovation - Interior	$1,595
50 Phelan Ave		

*Renovations - Interior include window/door/pipe replacement, new walls, changes in ventilation.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT

BOND FUND EXPENDITURES ALREADY INCURRED

Site	Projects	Expenditures Through June 30,1999
Phelan - Learning Resource Center	Renovation - Interior	$11,564
50 Phelan Ave	Health & Safety - Ventilation	$19,429
Phelan - North Phys Ed Bldg	Health & Safety - Roof	$7,180
50 Phelan Ave		
Phelan - South Phys Ed Bldg	Health & Safety - Roof	$5,383
50 Phelan Ave		
Phelan - Science Bldg	Renovation - Interior	$11,239
50 Phelan Ave	Computer Network Installation	$20,092
Phelan - Smith Hall	Renovation - Interior	$17,427
50 Phelan Ave		
Phelan - Statler Wing	Renovation - Interior	$7,650
50 Phelan Ave		
Phelan - Student Union	Renovation - Interior	$7,045
50 Phelan Ave	Renovation - Interior	$7,251
	Computer Network Installation	$798
Phelan - Visual Arts Bldg	Renovation - Interior	$16,566
50 Phelan Ave	Renovation - Interior	$5,715
Phelan - Craftworkers Facility	Health & Safety - New Facility for Craftsworkers (A &E)	$113,075
50 Phelan Ave	Renovation - New Facility for Craftsworkers (A &E)	$113,075

*Renovations - Interior include window/door/pipe replacement, new walls, changes in ventilation.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
BOND FUND EXPENDITURES ALREADY INCURRED

Site	Projects	Expenditures Through June 30,1999
Phelan - 900 Series Classrooms	Health & Safety - Roof	$22,499
50 Phelan Ave	Health & Safety - New Classrooms	$474,141
	Renovation - New Classrooms	$474,141
	Computer Network Installation	$26,075
Phelan - Campuswide	Computer Network - Architecture & Engineering	$440,526
50 Phelan Ave	Computer Network Installation	$3,151
	Renovation - Interior/Exterior	$15,141.30
	Health & Safety - Steam Pipes	$18,302
	Health & Safety - Retrofit Lighting System	$290,274
	Renovation - Retrofit Lighting System	$290,274
Alemany Campus	Renovation - Interior	$2,695
750 Eddy Street		
John Adams Campus	Health & Safety - Seismic	$16,229
1860 Hayes Street	Renovation - Interior	$65,966
	Renovation - Interior	$2,557
	Computer Network Installation	$12,589
Downtown Campus	Renovation - Interior	$3,642
800 Mission Street	Renovations-Interior	$2,271
	Renovation - Interior	$11,349
	Computer Network Installation	$25,200
1400 Evans Campus	Electrical Upgrade	$6,069
1400 Evans Avenue	Computer Network Installation	$2,405

*Renovations - Interior include window/door/pipe replacement, new walls, changes in ventilation.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
BOND FUND EXPENDITURES ALREADY INCURRED

Site	Projects	Expenditures Through June 30,1999
Land Acquisition - Chinatown Campus	Cost of Land	$5,790,940
Columous & Washington	Appraisal	$3,525
	Architectural Services	$125,566
	Environmental Impact Report	$290,229
	Financing - COP payments	$338,443
	Financing - Underwriter for COPs	$146,992
	Title & Trustee Fees	$10,450
Land Acquisition - Mission Campus	Cost of Land	$2,028,340
2550-2560 Mission Street	Appraisal	$3,525
	Architectural Services	$71,349
	Environmental Impact Report	$112,205
	Financing - COP payments	$118,913
	Financing - Underwriter for COPs	$51,646
	Title & Trustee Fees	$3,671
Total	Total	$12,377,769

*Renovations - Interior include window/door/pipe replacement, new walls, changes in ventilation.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
BOND FUND PLANNED EXPENDITURES - FIRST SALE

Site	Projects	Expenditures Through June 30,1999
Phelan - Batmale Hall	Computer Network Installation	$250,000
50 Phelan Avenue	Electrical Upgrade	$250,000
	Health & Safety	$50,000
	Renovation - Interior	$0
Phelan - Cloud Hall	Computer Network Installation	$225,000
50 Phelan Avenue	Electrical Upgrade	$225,000
	Health & Safety	$50,000
	Renovation - Interior	$0
Phelan - Conlan Hall	Computer Network Installation	$75,000
50 Phelan Avenue	Electrical Upgrade	$75,000
	Health & Safety	$0
	Renovation - Interior	$0
Phelan - Creative Arts Bldg	Computer Network Installation	$125,000
50 Phelan Avenue	Electrical Upgrade	$125,000
	Health & Safety	$100,000
	Renovation - Interior	$0
Phelan - Creative Arts Extension	Computer Network Installation	$75,000
50 Phelan Avenue	Electrical Upgrade	$75,000
	Health & Safety	$0
	Renovation - Interior	$0

*Renovations - Interior include windows/doors/pipe replacement, new walls, and painting. Health / Safety are primarily seismic, fire/life safety, and roofing projects.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
BOND FUND PLANNED EXPENDITURES - FIRST SALE

Site	Projects	Expenditures Through June 30,1999
Phelan - North Phys Ed Bldg	Computer Network Installation	$100,000
50 Phelan Avenue	Electrical Upgrade	$100,000
	Health & Safety	$100,000
	Renovation - Interior	$200,000
Phelan - South Phys Ed Bldg	Computer Network Installation	$100,000
50 Phelan Avenue	Electrical Upgrade	$100,000
	Health & Safety	$100,000
	Renovation - Interior	$200,000
Phelan - Science Bldg	Computer Network Installation	$300,000
50 Phelan Avenue	Electrical Upgrade	$300,000
	Health & Safety	$200,000
	Renovation - Interior	$0
Phelan - Smith Hall	Computer Network Installation	$75,000
50 Phelan Avenue	Electrical Upgrade	$75,000
	Health & Safety	$0
	Renovation - Interior	$0
Phelan - Statler Wing	Computer Network Installation	$50,000
50 Phelan Avenue	Electrical Upgrade	$50,000
	Health & Safety	$0
	Renovation - Interior	$0

*Renovations - Interior include windows/doors/pipe replacement, new walls, and painting. Health / Safety are primarily seismic, fire/life safety, and roofing projects.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
BOND FUND PLANNED EXPENDITURES - FIRST SALE

Site	Projects	Expenditures Through June 30,1999
Phelan - Student Union	Computer Network Installation	$75,000
50 Phelan Avenue	Electrical Upgrade	$60,000
	Health & Safety	$0
	Renovation - Interior	$50,000
Phelan - Visual Arts Bldg	Computer Network Installation	$125,000
50 Phelan Avenue	Electrical Upgrade	$125,000
	Health & Safety	$100,000
Phelan - Childcare	Renovation - Interior	$250,000
50 Phelan Avenue		
Phelan - Campuswide	Computer Network - Architecture & Engineering	$450,000
50 Phelan Avenue	Computer Network Installation	$500,000
Alemany Campus	Computer Network Installation	$100,000
750 Eddy Street	Electrical Upgrades	$75,000
	Health & Safety	$350,000
	Renovation - Interior	$75,000
	ADA	$100,000
John Adams Campus	Computer Network Installation	$300,000
1860 Hayes Street	Electrical Upgrades	$250,000
	Health & Safety	$400,000
	Renovation - Interior	$100,000
	ADA	$100,000

*Renovations - Interior include windows/doors/pipe replacement, new walls, and painting. Health / Safety are primarily seismic, fire/life safety, and roofing projects.

SAN FRANCISCO COMMUNITY COLLEGE DISTRICT
BOND FUND PLANNED EXPENDITURES - FIRST SALE

Site	Projects	Expenditures Through June 30,1999
Downtown Campus	Computer Network Installation	$150,000
800 Mission Street	Electrical Upgrades	$125,000
	Health & Safety	$175,000
	Renovation - Interior	$100,000
	ADA	$50,457
	Total planned expenditures	$7,935,457
	Total expenditures already incurred	$12,377,769
	Total supplemental appropriation	$20,313,226

*Renovations - Interior include windows/doors/pipe replacement, new walls, and painting. Health / Safety are primarily seismic, fire/life safety, and roofing projects

CITY COLLEGE OF SAN FRANCISCO

VICE CHANCELLOR OF FINANCE & ADMINISTRATION

33 GOUGH STREET • SAN FRANCISCO, CA 94103-1214 • 415. 241.2229 • FAX 415. 241.2344

To: Alan Gibson, Budget Analyst's Office

From: Peter Goldstein, Vice Chancellor Finance & Administration

Re: Bond Appropriation for the Community College District

Date: September 17, 1999

In response to your request I am providing additional information supporting the appropriation of the Community College District's bond proceeds.

As you have noted, while the $20.3 million allocation request has not changed, the amount in each of the individual categories varies from the information presented in February 1999 when the Board of Supervisors authorized the sale of the bonds. There are several reasons for the changes.

First, the full cost of items necessary for the acquisition of properties for the proposed permanent campuses for the Mission and Chinatown/North Beach areas is about $900,000 more than the figure in the February report. These costs are related to the preparation of the environmental impact reports and financing costs for the properties. As final totals were not available in February 1999, they were not submitted as part of the February request. Second, the need to proceed with the College District's technology project is more urgent due to networking needs related to the College District's management system and instructional programs. As a result about $500,000 more than the amount in the February report is now allocated for technology. To absorb these two increases while staying within the total allocation available in the first sale, the College District has reduced the amounts allocated to renovation and health and safety projects by a total of about $1.5 million. These changes do not alter the overall allocation of the College District's $50 million bond package. Finally, costs initially associated with the College District's administration of these bond projects are now distributed into each project category and are no longer listed as a separate item.

Thank you for your assistance and do not hesitate to contact me at 241.2229 if you need any additional information.

Cc: Dr. Phillip Day
Laura Opsahl-Borderon

CITY COLLEGE

VICE CHANCELLOR OF FINANCE & ADMINISTRATION

33 GOUGH STREET • SAN FRANCISCO, CA 94103-1214 • 415.241.2229 • FAX 415 241.2344

To: Alan Gibson, Budget Analyst's Office

From: Peter Goldstein, Vice Chancellor Finance & Administration

Re: Bond Appropriation for the Community College District

Date: September 3, 1999

In response to your request I am providing information supporting the appropriation of the Community College District's bond proceeds.

The total amount the District has advanced as of June 30, 1999 is $12.377 million, or about 60.93% of the $20,313,226 appropriation. These expenditures fall into four categories covered by the 1997 ballot measure. The largest portion, $9.095 million or about 73.5% of the advanced funds were spent on the acquisition of sites for permanent campuses for the Mission and Chinatown/North Beach neighborhoods. While the College delayed these acquisitions as long as possible, the sellers of the properties refused to wait for Proposition D litigation to make its way through the court system. Consequently the district faced a difficult decision, issue its own debt in the form of Certificates of Participation (COPs) and bear the financial strain of making payments on that debt until bonds could be issued, or lose the locations it had identified as sites for neighborhoods that can benefit greatly from the College's offerings. Working closely with bond counsel, the Board of Trustees made the choice to take the actions needed to secure the locations for permanent campuses for the Mission and Chinatown/North Beach neighborhoods.

The second largest category of advanced expenditures is the combination of health & safety upgrades and renovation projects. These two combined totaled $ 2.4 million or about 19% of the advanced amount. These expenditures were sometimes necessary because of serious threats to the well being of the College's students and staff as was the case with impending failure of water or gas pipes. However, more frequently this spending was needed to ensure that the College did not lose the opportunity to leverage additional state capital funds for San Francisco. By advancing these funds prior to state-imposed deadlines for projects related to items such as windows and roofs, the College was able to draw down generally between 50% and 75% in matching funds from the state.

In two particular cases, by advancing funds the College was able ensure that a total of $8.2 million in state funding for capital projects was saved for San Francisco. In the first case, by advancing about $950,000 for additional classrooms, the College was able to secure more than $4.4 million in state funds for remodeling one of its largest classroom facilities. In a second case by advancing $225,000 for architectural work, the College was able to secure more than $3.8 million in state capital improvement funds for new quarters for its electricians, plumbers, carpenters and gardeners.

The third category of advanced spending related to computer networking issues vital to the function of the College. These expenditures totaled about $882,000, or about 7.1% of the $12.277 million advanced. This spending was needed to bring minimal connectivity to College staff who need access to the College's main management information system, and to bring web access to one instructional building. It was also necessary to accomplish much of the final design work for the larger computer network project that makes up the single largest commitment the College made to San Francisco's voters in the June 1997 election. By advancing $440,000 funds network architecture, the College will be able to move forward more quickly toward building the network and thereby bringing technology into more of its classrooms.

The summary of planned expenditures totals $7.935 million, or about 39.07 per cent of the $20,313,226 appropriation request. The proposed all fall under the categories the College committed to address in the June 1997 ballot measure: health and safety, technology infrastructure, renovations, childcare, and ADA improvements. The College expects to fully expend the $7.935 million within the next eighteen months.

Thank you for your assistance and do not hesitate to contact me at 241.2229 if you need any additional information.

Cc: Dr. Phillip Day
Laura Opsahl-Borderon

Item 6 – File 99-1644

Note: This item was continued by the Finance and Labor Committee at its meeting of September 15, 1999.

Department: Mayor's Office of Public Finance

Item: Resolution (a) approving the form of, and authorizing the execution and delivery by the City and County of San Francisco of Equipment Lease Supplement No. 8, between the City and County of San Francisco Finance Corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to equipment to be used for City purposes, and providing for the related Certificate of Approval and a continuing Disclosure Certificate; (b) approving the issuance of Series 1999A Lease Revenue Bonds by said nonprofit corporation in an amount not to exceed $9,800,000; (c) providing for reimbursement to the City of certain City expenditures incurred prior to the issuance of Series 1999A Lease Revenue Bonds; (d) providing for the execution of documents in connection therewith; and (e) ratifying actions previously taken.

Amount: Not to exceed $9,800,000

Description: In June of 1990, San Francisco voters approved Proposition C, a Charter amendment which authorized the Board of Supervisors to authorize and approve the lease-financing of equipment purchases for the City through a nonprofit public benefit corporation, the San Francisco Finance Corporation. The equipment leased by the City is purchased by the San Francisco Finance Corporation with the proceeds of lease revenue bonds.

According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the City has issued lease revenue bonds for the procurement of equipment on an annual basis since FY 1990-91, with the exception of FY 1996-97 when such issuance was delayed until the following fiscal year. The Mayor's Office is now requesting authorization to issue up to $9,800,000 in City and County of San Francisco Corporation Lease Revenue Bonds, Series 1999A (hereafter referred to as "Series 1999A Lease Revenue Bonds"), for the acquisition, construction, and installation of equipment previously approved by the Board of Supervisors in the FY 1999-2000 budget.

Interest rates on lease revenue bonds issued by nonprofit corporations are generally lower than the interest on other financing instruments, because of the tax-exempt status of investments in non-profit corporations. Proposition C requires that the San Francisco Finance Corporation not issue lease revenue bonds for equipment purchase unless the Controller certifies that the interest costs to the City will be lower through the San Francisco Finance Corporation than through the other financing instruments such as third party vendors. Under the proposed resolution, the Controller is required to certify that the interest rates are lower through the San Francisco Finance Corporation prior to the sale of the proposed Series 1999A Lease Revenue Bonds. According to Ms. Peg Stevenson of the Controller's Office, the Controller has certified that the interest rates to the city would be lower through the San Francisco Financing Corporation than through other financing instruments (see Comment 5 below).

In accordance with Proposition C, the total outstanding indebtedness of the San Francisco Finance Corporation may not exceed a principal amount of $20 million at any given time beginning in FY 1990-91, with the limit increasing by five percent in each subsequent fiscal year. The maximum amount of allowable indebtedness in FY 1999-2000 is $31,026,564 according to Ms. Hollenbeck.

The Board of Supervisors has previously authorized the issuance by the San Francisco Finance Corporation of up to $73,569,707 in lease revenue bonds, of which $67,315,000 was actually issued, to finance the purchase of equipment, as follows:

Fiscal Year	Authorized Lease Revenue Bonds
1990-91	$ 7,304,707
1991-92	Up to 10,000,000
1992-93	Up to 10,200,000
1993-94	Up to 7,000,000
1994-95	Up to 6,500,000
1995-96	Up to 7,065,000
1996-97	0
1997-98	Up to 14,000,000
1998-99	Up to 11.500.000
TOTAL	Up to $73,569,707

As noted above, the San Francisco Finance Corporation has been authorized to issue up to $73,569,707 since FY 1990-91 in lease revenue bonds to procure equipment on behalf of the City. According to the Mayor's Office of Public Finance, the actual amount of lease revenue bonds issued by the San Francisco Finance Corporation, the amounts which have been repaid, and the outstanding indebtedness as of October 1, 1999 will be as follows:

Series 1991A Bonds		
Lease Purchase Revenue Bonds Issued	$7,020,000	
Repayment to Date	7,020,000	
Outstanding Indebtedness: Series 1991A:		$ 0
Series 1992A Bonds		
Lease Purchase Revenue Bonds Issued	$5,555,000	
Repayment to Date	5,555,000	
Outstanding Indebtedness: Series 1992A:		0
Series 1993A Bonds		
Lease Purchase Revenue Bonds Issued	$10,200,000	
Repayment to Date	10,020,000	
Outstanding Indebtedness: Series 1993A:		180,000
Series 1994A Bonds		
Lease Purchase Revenue Bonds Issued	$6,850,000	
Repayment to Date	6,280,000	
Outstanding Indebtedness: Series 1994A:		570,000
Series 1995A Bonds		
Lease Purchase Revenue Bonds Issued	$6,075,000	
Repayment to Date	6,055,000	
Outstanding Indebtedness: Series 1995A:		20,000
Series 1996A Bonds		
Lease Purchase Revenue Bonds Issued	$7,065,000	
Repayment to Date	6,425,000	
Outstanding Indebtedness: Series 1996A:		640,000
Series 1997A Bonds	$13,715,000	
Lease Purchase Revenue Bonds Issued	4,320,000	
Payment to date		
Outstanding Indebtedness: Series 1997A:		9,395,000
Series 1998A Bonds	$10,835,000	
Lease Purchase Revenue Bonds Issued	1,490,000	
Payment to Date		
Outstanding Indebtedness: Series 1998A:		9,345,000
Projected Total Outstanding Indebtedness at 10/01/99		$20,150,000
Total Allowable Indebtedness		$31,026,564
Total Allowable Indebtedness Which Will Still Be Available at 10/01/99		$10,876,564

For FY 1999-2000, Proposition C established $31,026,564 as the maximum level of allowable indebtedness. As of October 1, 1999, it is projected that the amount of outstanding Proposition C indebtedness will be

$20,150,000, resulting in an available balance of $10,876,564 in unused debt capacity for equipment lease financing in FY 1999-2000.

The proposed resolution would authorize the issuance of new Series 1999A Lease Revenue Bonds in FY 1999-2000 in an amount not to exceed $9,800,000. This is within the San Francisco Finance Corporation's projected October 1, 1999 unused debt capacity for equipment lease financing under Proposition C of $10,876,564 for FY 1999-2000. Ms. Hollenbeck estimates that the Series 1999A Lease Revenue Bonds will be sold on a competitive basis on October 20, 1999.

According to Ms. Hollenbeck, the bond trustee for the San Francisco Finance Corporation will act as a bank for equipment purchases. Ms. Hollenbeck explains that various City departments have budgeted the annual lease payment within their FY 1999-2000 departmental budgets, as previously approved by the Board of Supervisors. Ms. Hollenbeck reports that the amount of the annual lease payments for the proposed Series 1999A Lease Revenue Bonds in FY 1999-2000 is approximately $174,000. This amount has been approved in the FY 1999-2000 budget under the General City Responsibility budget. A total of $10,923,000, including principal of $9,595,000 and interest of $1,328,000, would be paid over the six year term of the leases for the equipment listed in the Attachment provided by Ms. Hollenbeck. Ms. Hollenbeck reports that, pending authorization of the proposed resolution, the San Francisco Finance Corporation will sell bonds to prospective investors and will subsequently purchase the equipment on behalf of the City using the proceeds from the lease revenue bond funds. City departments will then make annual lease payments to the San Francisco Finance Corporation, which in turn will use these funds to repay the lease revenue bond interest and redemption.

In addition, the proposed resolution provides for (a) reimbursement to the City of up to $194,116 for bond issuance costs related to the proposed issuance of the Series 1999A Lease Revenue Bonds which have to be made prior to the actual date of issuance, (b) the

execution of documents needed to implement the proposed resolution, and (c) the ratification of actions previously taken.

The annual budgets of City departments must include the amount of the City's annual lease-purchase payments (including principal and interest) for equipment procured through the San Francisco Finance Corporation. Since these payments are required under the terms of the lease-purchase agreement with the San Francisco Finance Corporation, the annual payments become fixed costs of City departments for the term of the lease revenue bond repayment period, once the equipment has been procured and acquired by the San Francisco Finance Corporation. As noted above, City departments will make lease payments to the San Francisco Financing Corporation, which in turn will use such funds to repay the bond funds.

Comments:

1. The Attachment to this report, provided by Ms. Hollenbeck, contains a list of the equipment to be acquired, including (a) the applicable departments, (b) the number of units, and (c) the equipment costs, as previously approved by the Board of Supervisors in the FY 1999-2000 budget. As shown in the Attachment, total equipment costs are $8,005,943.

The estimated total project costs of $9,595,000 in Series 1999A Lease Revenue Bonds are as follows:

Equipment Costs	$8,005,943
Required Reserve Fund[1]	959,500
Bond Issuance Costs	194,116
Capitalized Interest[2]	435,441
TOTAL	$9,595,000

[1] Lease Revenue bonds have a legally required Reserve Fund equal, in this case, to 10 percent of the principal amount of the bonds.

[2] Pursuant to State law, the City cannot make any interest payments on lease revenue bonds until the City has received the equipment. However, interest on the lease revenue bonds begins accruing when the bonds are sold regardless of when the equipment is eventually purchased and received by the City. Therefore, capitalized interest, estimated in the amount of $435,441, must be paid from proceeds of the Series 1999A Revenue Lease Bonds until such a time as the equipment is actually received by the City and interest payments can be made from funds appropriated in the City budget.

2. The actual interest costs to the City of the proposed equipment lease-purchases cannot be determined precisely, because the interest rate will depend on prevailing financial market interest rates when the Series 1999A Lease Revenue Bonds are actually sold. Interest costs will also vary for each equipment item purchased based on the number of years in the repayment period for the item, which cannot exceed the useful life of the equipment.

Ms. Hollenbeck estimates that, if the proposed Series 1999A Lease Revenue Bonds are sold in a principal amount of approximately $9,595,000 at an estimated annual interest rate of 4.6 percent (based on current financial market interest rates), and if they are based on the expected repayment period of six years, the City's total principal and interest cost would be approximately $10,923,000 over the life of the Series 1999A Lease Revenue Bonds. Based on these estimates, as previously noted, the City's costs over the life of the Series 1999A Lease Revenue Bonds would be $9,595,000 in principal and $1,328,000 in interest costs, for a total cost of $10,923,000 over six years.

3. The proposed resolution would provide for a Continuing Disclosure Agreement. According to Ms. Hollenbeck, Federal law requires all cities and counties which issue tax-exempt debt to file an Annual Report with a national repository for the benefit of the investors. The Annual Report would contain the following: (1) the financial statements of the San Francisco Financing Corporation and the City; (2) the status of the project; (3) a summary of budgeted General Fund revenues and appropriations; (4) a summary of assessed valuation of taxable property; and (5) a summary of outstanding and authorized but unissued tax supported debt.

4. The use of lease financing is equivalent to borrowing funds, with resultant interest costs, to purchase equipment. Since such financing requires fixed, mandatory lease payments by City departments over several years, the use of lease-purchases "locks in" departmental expenditures for future years resulting in a

reduction in the amount of discretionary monies in the City's budget in future years. However, the Mayor's Office recommends the use of lease-financing with Proposition C bonds for the City's major equipment purchases in order to spread the equipment costs over several years, corresponding to the City's beneficial use of the equipment.

5. Under the proposed resolution, the Controller is required to certify, prior to the sale of the proposed Series 1999A Lease Revenue Bonds, that the interest rates are lower to the City through the San Francisco Finance Corporation than through other financing instruments. Ms. Peg Stevenson of the Controller's Office advises that the Controller reviewed the estimated interest rates for comparable equipment lease-financing that would be charged by various companies such as Ford Motor Credit, which would charge 5.25 percent annually for a comparable six year term of borrowing, and IBM, which would charge 5.39 percent annually for a six year term of borrowing. Based on that review, the Controller has certified in relation to the proposed Series 1999A Lease Revenue Bonds that if those bonds are sold on October 20, 1999, the estimated 4.6 percent annual interest rate that would be charged by the San Francisco Finance Corporation for a six year term of borrowing for the subject equipment to be leased would be lower than the interest rates that the surveyed companies would charge.

6. Based on the data reviewed, and in accordance with the Charter, as noted in Comment No. 5 above, the Controller has certified that the estimated interest rate of 4.6 percent to be paid by the City would be lower through the San Francisco Financing Corporation than through other financing instruments.

Recommendation: Approve the proposed resolution.

City and County of San Francisco Finance Corporation
Series 1999A Equipment List

Department	Equipment	# of Units	Per Unit Cost	Total Cost
Administrative Services	Cargo Van	1	23,000	23,000
Administrative Services	Passenger lift van	1	35,000	35,000
Adult Probation	Sedan-compact (CNG)	2	22,000	44,000
Animal Care	1 Ton outfitted van	1	35,000	35,000
City Attorney	Computer LAN Equipment	1	273,901	273,901
San Francisco General Hospital	Fluoroscan imaging system	1	69,105	69,105
San Francisco General Hospital	BTE Primus work Simulator	1	53,162	53,162
San Francisco General Hospital	TEE Probe	1	48,875	48,875
San Francisco General Hospital	Automatic Coverslipper and Fume Controller	1	33,092	33,092
San Francisco General Hospital	Adult Ventilator	1	30,380	30,380
San Francisco General Hospital	Humphrey Visual Field Analyzer II	1	29,591	29,591
San Francisco General Hospital	Osteopower Modular Handpiece	1	21,728	21,728
Medical Examiner	1 Ton w/ lift van	1	37,000	37,000
Medical Examiner	Gas Generator	1	45,000	45,000
Muni	1 Ton w/ lift van	2	27,000	54,000
Muni	Forklifts	2	27,000	54,000
Muni	2-1/2 Ton scissor truck w/ hyrailer for over power line repair	2	120,000	240,000
Muni	Heavy duty currency collection van	3	30,000	90,000
Muni	LRV jack & rerailer	1	75,000	75,000
Muni	Cargo Van - outfitted	2	25,000	50,000
Muni	LRV repair truck 26K GVWR 300hp diesel	1	110,000	110,000
Muni	Overhead Line Maintenance Truck	1	240,000	240,000
Fire	Van	2	24,500	49,000
Fire	Ambulances	3	136,200	408,600
Fire	Triple combination pumpers	3	255,978	767,934
Fire	Mini pumpers	1	76,000	76,000
Fire	Aerial ladder truck	1	458,315	458,315
Fire	Mid-size sedan	10	21,000	210,000
Public Health	Cisco catalyst 8500 & 5000 campus switch routers	1	140,000	140,000
Juvenile Probation	Compact sedan (CNG)	6	22,000	132,000
Juvenile Probation	Passenger van	3	26,500	79,500
Juvenile Probation	Car w/ security cage	1	25,500	25,500
Public Defender	Minivan	1	26,500	26,500
Police	Sedans - marked	40	29,694	1,187,760
Police	Sedans - unmarked	50	24,250	1,212,500
Parking & Traffic	Three wheelers	25	17,500	437,500
Parking & Traffic	1 Ton utility truck (signage repair)	1	45,000	45,000
Parking & Traffic	1/2 Ton utility truck (painting)	1	22,000	22,000
Parking & Traffic	1/2 Ton utility truck (signal repair)	1	35,000	35,000
Parking & Traffic	1 1/2 Ton utility truck (meter repair)	1	23,000	23,000
Parking & Traffic	Vans - outfitted	5	26,400	132,000
Parking & Traffic	Midsize sedan (CNG)	1	24,000	24,000
Recreation & Park	Garbage truck	1	140,000	140,000
Recreation & Park	Rubber tire backhoe	1	78,000	78,000
Recreation & Park	Ford F150	1	25,000	25,000
Recreation & Park	3/4 Ton pick-up Truck	1	53,000	53,000
Recreation & Park	3/4 Ton pick-up Truck	1	29,500	29,500
Recreation & Park	3/4 Ton pick-up Truck	1	29,000	29,000
Recreation & Park	3/4 Ton 4x4 pick-up truck	1	27,500	27,500
Recreation & Park	1 Ton dump truck	1	20,000	20,000
Recreation & Park	Dump truck	2	60,000	120,000
Recreation & Park	2 3/4 pick-up truck	1	37,500	37,500
Telecommunications	Compact car (CNG)	2	22,000	44,000
Telecommunications	Wiring & telecom trucks	3	30,000	90,000
Telecommunications	Wiring & telecom trucks	1	38,500	38,500
Telecommunications	Wiring & telecom trucks	1	35,000	35,000
Telecommunications	Grumen cable splicing van	1	55,000	55,000
				8,005,943

Item 7 – File 1581

Department: Department of Public Works (DPW)
Public Utilities Commission (PUC)

Item: Resolution approving the expenditure of funds for the emergency work to replace a structurally inadequate sewer on Broadway from Pierce Street to Scott Street.

Amount: $148,925

Source of Funds: FY 1999-2000 PUC Repair and Replacement Fund

Description: On July 16, 1999, Public Utilities Commission (PUC) Sewer Operations identified an emergency sewer condition on Broadway from Scott to Pierce Streets. 410 feet of the existing 12 inch diameter vitrified clay pipe sewers were broken and contained sections which had collapsed. The PUC determined that the remaining sewer at that location might collapse if emergency repairs were not performed, endangering the health and safety of the public and damaging public and private property. In accordance with Section 6.30 of the Administrative Code, the President of the PUC declared an emergency on July 16, 1999. A contract was awarded to J.M.B. Construction, Inc., in the amount of $111,775.

Budget: The total estimated project cost is $148,925. A summary of this budget is as follows:

DPW Bureau of Engineering	$ 19,150
DPW Bureau of Construction Management	18,000
Construction Contract	111.775
Total Project Cost	$148,925

The Attachment, provided by the DPW, details the DPW Bureau of Engineering and Bureau of Construction Management costs.

Comments:

1. According to Mr. P.T. Law of DPW, invitations for proposals were faxed to 20 contractors on July 21, 1999, and 2 quotations were received on July 23, 1999, as follows:

Contractor	Quote Amount	LBE/MBE Status
J.M.B. Construction Inc.	$111,775	LBE/WBE
A. Ruiz Construction, Inc.	$115,361	LBE/MBE

2. Mr. Law states that, of the 410 feet of the damaged sewer requiring immediate repair, PUC determined that 23 feet of the existing sewer could be abandoned because it no longer serviced side sewers. Therefore, the construction contract was for the replacement of 387 feet of the 12-inch diameter vitrified clay pipe sewer on Broadway from Scott Street to Pierce Street.

3. According to Mr. Law, repair of the subject sewer began on July 29, 1999, and was completed on August 18, 1999.

Recommendation: Approve the proposed resolution.

Attachment

9/1/99

Cost Breakdown for (J.O. #0111J, Contract #CW-252E)
Broadway Sewer System Improvement

Bureau of Engineering

Classification	Title	Rate		Hours	Cost	
5504	Project Manager II	$	92	9	$	828
5206	Associate Civil Engineer	$	75	34	$	2,550
5202	Junior Civil Engineer	$	50	98	$	4,900
5366	Civil Engineering Associate II	$	60	125	$	7,500
5381	Engineering Student Trainee II	$	33	46	$	1,518
1426	Secretary	$	43	43	$	1,849
					$	19,145
				Rounded:	$	19,150

Bureau of Construction Management

Classification	Title	Rate		Hours	Cost	
5210	Senior Civil Engineer	$	100	9	$	900
5208	Civil Engineer	$	80	13	$	1,040
5204	Assistant Civil Engineer	$	59	133	$	7,847
6318	Construction Inspector	$	74	111	$	8,214
				Total	$	18,001
				Rounded:	$	18,000

Item 8 – File 99-1582

Department: Port

Item: Hearing to consider the release of reserved funds in the amount of $25,500 to be used to perform construction on portions of the new fire safety system at Pier 50, as follows:

(a) install a new eight inch fire main section that will serve Pier 50 Shed A,
(b) pay for design and engineering fees related to the construction of the new twelve inch fire main section that will serve Pier 50; and
(c) pay for engineering services to review the plans and specifications for new fire sprinklers to be installed as part of the fire safety system improvements at Pier 50.

Amount: $25,500

Source of Funds: Capital Project Appropriation for relocation of the Port's Maintenance Facility from Pier 46B to Pier 50

Description: In June of 1997, the Board of Supervisors approved a Supplemental Appropriation allocating $7,550,000 from loan proceeds obtained from the Canadian Imperial Bank of Commerce, for a capital improvement project to relocate the Port's Maintenance Facility from its current location at Pier 46B to Pier 50 (File 101-96-83). Of the funds appropriated in the amount of $7,550,000, the Board of Supervisors reserved $6,052,714 pending submission of final contract details.

Of the total funds reserved in the amount of $6,052,714, the Port proposed the expenditure of $547,123 for fire safety system improvements at Pier 50. Of the $547,123 which was earmarked for the fire safety system, $460,000 was for the construction of demising walls, which serve as fire walls, in Pier 50 Shed A and the remaining monies in the amount of $87,123 were earmarked for general fire safety system improvements. However, in January of 1998, the Port Commission determined that the demising walls were not necessary. The Port reallocated $460,000,

which had been earmarked for construction of the demising walls, for the installation of fire sprinklers.

The proposed release of reserved funds in the amount of $25,500, from the reserve of $547,123 noted above, would authorize the Port to expend the funds to perform the proposed construction on portions of the new fire safety system at Pier 50.

Budget:

Installation of 8" fire main	$14,000
Engineering services for the 12" fire main	7,500
Plan check and review	4,000
	$25,500

The attached memorandum, provided by the Port, contains supporting details and an explanation of the proposed budget.

Comments:

1. According to Mr. Alex Lee of the Port, in May of 1998 the Port awarded a contract through a Request for Proposal, in an amount not to exceed $150,000, to Olivia Chen Consultants to provide engineering services to the Port on an as-needed basis. $4,000 of the proposed release of reserves would be used to pay for the engineering services of Olivia Chen Consultants for plan check and review for the new fire sprinklers to be installed as part of the fire safety system improvements at Pier 50.

2. Mr. Lee states that of the $547,123 earmarked for fire safety system improvements at Pier 50, $460,000 is earmarked for the installation of new fire sprinklers, which has not yet been released from reserve. The subject release of reserves in the amount of $25,500 will come from the remaining monies, in the amount of $87,123, which are earmarked for general fire safety improvements. Upon Board of Supervisors approval of the proposed release of reserves, $25,500 would be released from the $87,123 earmarked for general fire safety improvements, and $61,623 will remain on reserve. Therefore, of the total reserve of $547,123 earmarked for the fire safety system, $521,623 ($460,000 plus $61,623) will remain on reserve.

Recommendation: Approve the proposed release of reserve funds.

BOARD OF SUPERVISORS
BUDGET ANALYST

Attachment
Page 1 of 2

PORT OF SAN FRANCISCO

MEMORANDUM

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

September 17, 1999

TO: Harvey Rose
Budget Analyst

FROM: Alexander Lee
Director, Facilities & Operations AL

SUBJECT: Release of Reserved Funds - Pier 50 Fire Safety System

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This memorandum is to clarify my phone conversation with Ms. Severin Campbell.

The fire safety system at Pier 50 is estimated at $547,123. Originally, the system consists of demising walls (fire walls), but the Port Fire Marshal approved the use of a sprinkler system instead of demising walls. A sprinkler system gives the Port more flexibility to configure the space to our tenants' needs, without having to remove and reinstall demising walls every time their needs change.

The estimated total cost of the sprinkler installation is $460,000. The Port will request a release of reserved funds when a contractor is selected for the installation. We are requesting the release of $25,500 from the $547,123 fire safety system budget. If the installation is within our estimate, the remaining funds ($61,623) will be used for a monitoring system to enhance the safety of Pier 50. Again, when the Port is ready to award the monitoring system contract, we will request release of reserved funds from the Board at that time.

Additional cost detail on the $25,500 release is as follows:

Olivia Chen Consultants:

Project Manager	10 hrs x $95	=	$ 950
Mechanical Engineering Subconsultant			
Project Engineer	34 hrs x $75	=	$2,550
Support Staff (Drafting)	10 hrs x $50	=	$ 500

The Water Department's estimate of $14,000 is for the installation of 8" service at Pier 50. This is a fixed price for installing the 8" meter and to activate service.

The Public Utilities Commission Engineering Bureau provided an estimate of $7,500 for the following scope of work:

Scope and site investigation	$1,300
Investigate existing utilities	$3,400
Preliminary alignment - drawings	$1,900
Project administration	$ 900
TOTAL	$7,500

PUC Engineering Bureau did not provide detailed breakdown on the work description.

If you have any questions, please call me at 274-0404.

Item 9 - File 99-1617

Department: Controller

Item: Resolution establishing the City and County's appropriations limit for FY 1999-2000 pursuant to Article XIII B of the California Constitution.

Description: The proposed resolution would establish $1,477,821,483 as the 1999-2000 adjusted appropriation limit or Gann spending limit for the City and County of San Francisco as required by Article XIII B of the California Constitution.

On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B limits the growth of appropriations from the proceeds of taxes of the State of California and local governments to the percentage of change in population and the lesser of the percentage change in the cost of living or in per capita personal income. The State Government Code requires that each local government establish its appropriation limit (Gann Limit) by resolution each year.

The Controller has computed the 1999-2000 Gann Limit for the City and County of San Francisco as follows (percentages and computed amount have been rounded by the Controller):

1998-99 Gross Gann Limit	$1,393,845,379
Adjusted by:	
Increase in Cost of Living	4.53%
Increase in Population	1.43%
1999-2000 Net Gann Limit	$1,477,821,483*

*1.0453 times 1.0143 equals 1.0602478 times $1,393,379.

The Controller's Office monitors revenues affected by the Gann Limit throughout the year. At year-end, a final computation is prepared comparing actual proceeds of taxes to the Gann Limit. At that time, two tests must be met. First, all actual proceeds of taxes must be below the Gann Limit; and second, all actual proceeds of taxes collected

must be appropriated. If either test is not met, according to Article XIII B, excess revenues collected must be returned to the taxpayers within two years.

The amount appropriated in the City's FY 1999-2000 budget that is subject to the Gann Limit is $1,307,866,403 which is $169,955,080 less than the net 1999-2000 Net Gann Limit of $1,477,821,483. In accordance with the Annual Appropriation Ordinance, any 1999-2000 tax proceeds in excess of current estimates will be appropriated to the City's General Fund General Reserve, which is used as a revenue source (a) to fund supplemental appropriations during the current fiscal year and (b) to fund the City's budget for the next fiscal year.

Comments:

1. The Gann Limit was first applied in 1980-81 using the actual 1978-79 appropriations that would have been subject to the limit, had it existed then, as the base year (as called for by Article XIII B of the California Constitution). The 1978-79 base was adjusted for changes in per capita personal income, cost of living and population to obtain the 1980-81 limit. In each successive year, the prior year's limit was used as the base for computation of the new limit.

2. State Proposition 111, approved by the voters in June 1990, made several changes to the Article XIII B (3) which are reflected in the City's computations including an adjustment to exclude appropriations for "Qualified capital outlay as defined by the legislature" from proceeds of taxes. This results in a reduction of $22,673,078 for FY 1999-2000, from appropriations of proceeds of taxes subject to the limit.

3. Based on the City Attorney's memorandum of opinion of June 14, 1988, the City is excluding Court and Federal mandates from appropriations subject to the appropriations limit. The City Attorney's Office has previously advised that the exclusion of Court and Federal mandates is consistent with the meaning of Article XIII B. No previous legal challenges have been filed questioning this interpretation. The two mandates for FY 1999-2000 totaling $8,419,117, that are identified

by a survey of all City departments and verified by the Controller's Office, are as follows:

Federal Resource Conservation Act (Toxics)	$ 4,649,815
Jail Overcrowding	3,769,302
Total Court and Federal Mandates	$ 8,419,117

Recommendation: Approve the proposed resolution.

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

Supervisors

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Clerk: Mary Red

Wednesday, September 29, 1999 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 10:11 a.m.

REGULAR AGENDA

991802 **[1999 Asian Art Bond Award, Series 1999D]**
Supervisor Yaki
Draft motion awarding bonds and fixing definitive interest rates for $16,730,000 general obligation bonds (Asian Art Museum Relocation Project), Series 1999D.
9/21/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.
Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Laura Bordelon, Mayor's Office of Public Finance.
AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.
Motion awarding bonds and fixing definitive interest rates for $16,730,000 general obligation bonds (Asian Art Museum Relocation Project), Series 1999D.
AWARDED by the following vote:
Ayes: 3 - Yee, Bierman, Ammiano

991482 [Planning Department Enforcement Program]

Supervisor Yee

Hearing to consider the Planning Department's enforcement program, including how the enforcement program will be enhanced to vigorously enforce the Planning Code and terms of conditional use authorizations and how the positions that were approved in the FY 1999-2000 budget will be used to expand enforcement.

7/26/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

8/11/99, CONTINUED TO CALL OF THE CHAIR. Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Yee, Mary Gallagher, City Planning Department, Harry Stern, Friends of Noe Valley, Eleanore Gerhardt, Friends of Noe Valley, Bernie Chodan; Arron Peskin, Telegraph Hill; Tracey Hughes, Roberta Caravelli, Christina Stout, Marina District, Lois Scott, Local 21, Supervisor Bierman, Supervisor Ammiano

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Mary Gallagher, Zoning Administrator; Supervisor Ammiano, Larry Badiner, City Planning Department, Supervisor Yee, Supervisor Bierman, Marvis Phillips, Tenderloin; Harry Stern, Friends of Noe Valley; Patricia Vaughey, Cow Hollow, John Barbey, Coalition of S.F. Neighborhoods; Jacob Goldberk, Richmond District, Scott Durcanin, Russian Hill Neighbors Association; Anastasia Yovanopoulos, Noe Tenants Association

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991537 [Appropriation, S.F. Unified School District]

Ordinance appropriating $60,713,766, San Francisco Unified School District, of school Bond proceeds for capital improvement projects on various school facilities, cost of issuance, and other related costs for fiscal year 1999-2000. (Controller)

8/4/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

9/15/99, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Tim Tronson, S.F. Unified School District, Supervisor Yee; Supervisor Ammiano, Laura, Opshal, Mayor's Office, Ed Harrington, Controller. Continued to September 29, 1999

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991699 [Appropriation, Water Department]

Ordinance appropriating $300,000, Water Department, of San Francisco Water Operating Fund balance to fund the Crystal Springs Pump Station (landslide repairs) for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

9/8/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Suresh Patel, Public utilities Commission. Amended to reduce amount of appropriation to $279,870, new title

AMENDED.

Ordinance appropriating $279,870, Water Department, of San Francisco Water Operating Fund balance to fund the Crystal Springs Pump Station (landslide repairs) for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

991701 **[Court Compensation]**

Ordinance setting schedules of compensation and other economic benefits for fiscal year 1999-2000 for certain classifications of persons employed by the Superior Court of California, County of San Francisco. (Superior Courts)

9/8/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Neal Taniguchi, Trial Courts. In Support: Andre Spearman, Local 790.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991644 **[1999 Finance Corporation Equipment Lease]**

Mayor

Resolution approving the form of and authorizing execution and delivery by the City and County of San Francisco of an Equipment Lease Supplement No. 8 between the City and County of San Francisco Finance Corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to equipment to be used for City purposes, a related certificate of approval and a continuing disclosure certificate; approving the issuance of Lease Revenue Bonds by said nonprofit corporation in an amount not to exceed $9,800,000; providing for reimbursement to the City of certain City expenditures incurred prior to the issuance of Lease Revenue Bonds; and approving for the execution of documents in connection therewith and ratifying previous actions taken in connection therewith.

(Fiscal impact.)

8/23/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

9/15/99, CONTINUED. Continued to September 22, 1999.

9/22/99, CONTINUED. Continued to September 29, 1999.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Sarah Hollenbeck, Mayor's Office of Public Finance.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991580 **[Permitting non-City workers to perform work for the City because non-City workers can perform work at a lesser cost than City employees - Unarmed security guards at the Airport]**

Resolution approving the Controller's certification that security guard services for San Francisco International Airport can be practically performed by a private contractor at a lower cost than if the work were performed by City and County employees at presently budgeted levels. (Airport Commission)

8/12/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

9/21/99, SUBSTITUTED. Substituted by Airport Commission 9/21/99, bearing same title.

9/21/99, ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jon Ballesteros, Airport.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991700 **[Lease: Award of the New International Terminal Bookstore/Cafe' Lease to Benjamin Books, Inc. for a five-year term with a minimum annual rent of $265,854 for the first year]**

Resolution approving the New International Terminal Bookstore/Cafe' Lease between Benjamin Books, Inc. and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

9/8/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Jon Ballesteros, Airport, Supervisor Yee

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991721 **[Reserved Funds, Department of Public Health]**

Hearing to consider release of reserved funds, Department of Public Health (1999-2000 Budget reserve), in the amount of $300,000 for the purpose of opening a new Acute Diversion Unit (ADU), a treatment facility that provides intensive treatment services to the mentally ill. (Department of Public Health)

9/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Anne Okubo, Department of Public Health, Supervisor Ammiano; Supervisor Yee

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

SPECIAL ORDER AT 11:00 A.M.

991347 **[Reserved Funds, Department of Human Services]**

Hearing to consider release of reserved funds, Department of Human Resources, (1999-2000 Budget reserve), in the amount of $1.3 million to implement the proposed 100 bed family residence at 260 Golden Gate Avenue. (Department of Human Services)

8/31/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Will Lightbourne, Executive Director, Department of Human Services; Maggie Donahue, Department of Human Services; Jane Morrison, President, Human Services Commission; Steve Kawa, Mayor's Office; Supervisor Ammiano, Supervisor Biarman, Supervisor Yee. In Support: Salvador Monjivar, Hamilton Family Center; Mrs. Lacey; Norman Yee, Wu Yee Children's Services; Maria Luz Torres; Tho Do, Local 2; Conny Ford, Local 3; Sister Bernie Galvin, Carmen, Raphael House; Roscoe Hawkins, St. Anthony's Foundation; Father Louis Vitale, St. Boniface Parish; Laura Munous; Martha Ryan, Homeless Prenatal Program; Joyce Miller; Tiffany Mock-Goeman, Continuum; Dick Clark, Haight District, James Tran, Eviction Defense Network, Joshua Walden, Susan Maddis; Ms. Pina, Prenatal Homeless Program; Paul Boden, Coalition on Homeless, Chester Salinas, Erma, Homeless Prenatal Program; Beatrice Robinson, Charmagne Williams, Teresa Mullan, David Passco, Connecting Point; Cathy Groggen, Hamilton Center; Jackie Henderson; Susan Hayney; Rachael Toner. Opposed: Robert Sindalar, Central YMCA; Edward Evans, Tenderloin, Garrett Jenkins, North of Market Planning Coalition. Release entire amount of $1.3 million.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991723 [Government Funding]

Mayor, Supervisors Yaki, Ammiano, Bierman, Katz, Becerril, Leno, Brown, Kaufman

Ordinance appropriating $657,000 of the General Fund Reserve to fund services of other City agencies-Unified School District to provide arts programs in the public schools for fiscal year 1999-2000.

9/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Steve Kawa, Mayor's Office; Enrique Palacios, Director Inter- Community Services, S.F. Unified School District; Sally Ann Ryan, S.F. Unified School District; Supervisor Ammiano; Supervisor Bierman. In Support: Rev. Joseph Ryan; Glen Park Elementary School Children's Chorus; Florence Kelly, Teacher, McKinley Elementary School; Dennis McNalley, Publicist for the Greatful Dead; Wendy; Dick Bright; Camille Salmon, Co-chair, Art Providers Alliance; Brenda Berlin, Young Audience of the Bay Area; Steven Goldstein, Arts Education Project; Ann Wettrich, Arts Education Project; Orrin Keepnews, jazz producer; Sherri Rosenberg, PTA, Lafayette School; Susan Stauter; Carol Kosivar, state PTA; Meg Madden; Dan Ryan, SFOP.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 1;45 P.M.

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/99

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

September 24, 1999

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: September 29, 1999 Finance and Labor Committee Meeting

Item 1 - File 99-1802

Department: Mayor's Office of Public Finance

Item: Motion awarding bonds and fixing definitive interest rates for $16,730,000 of General Obligation Bonds (Asian Art Museum Relocation Project), Series 1999D.

Description: On August 23, 1999, the Board of Supervisors approved a resolution authorizing and directing the sale of $16,730,000 of General Obligation Bonds for the Asian Art Museum Relocation Project, Series 1999D (Resolution 796-99). The proceeds from the sale of these bonds will be used for reconstruction of the old Main Library building, including structural, roofing, electrical, plumbing, heating and ventilation, to prepare for the relocation of the Asian Art Museum.

Comments: Ms. Laura Bordelon of the Mayor's Office of Public Finance advises that the bids for the proposed bonds are scheduled to be opened at 8:00 a.m. on Wednesday, September 29, 1999, and that unless all of the bids are rejected, the Finance and Labor Committee will be asked to award the bonds to the

bidder whose bid represents the lowest true interest cost to the City. Ms. Bordelon reports that the Mayor's Office of Public Finance will submit an Amendment of the Whole to the Finance and Labor Committee's scheduled meeting at 10:00 a.m. on Wednesday, September 29, 1999, which will list the winning bidder, the other bidders and the interest rate that each bidder offered to the City.

Recommendation: Approve a motion which awards the subject bonds to the low bidder, which represents the lowest true interest cost to the City.

Item 2 – 99-1482

Note: This item was continued by the Finance and Labor Committee at its meeting of August 11, 1999.

Department: Department of City Planning

Item: Hearing to consider the Planning Department's enforcement program, including how the enforcement program will be enhanced to vigorously enforce the Planning Code and terms of conditional use authorization and how the positions that were approved in the FY 1999-2000 Budget will be used to expand enforcement.

Description: The FY 1999-2000 Budget as approved by the Board of Supervisors included a total of 13 new, fee-based positions for the Department of City Planning. These positions are funded by Planning Commission fee revenues for processing various Planning Department approval requirements and Planning Commission cases.

Attachment I provided by the Department of City Planning, explains the intended organization and use of the eleven new, fee-based positions for the enforcement program.

Attachment II, also provided by the Department, shows the $1,035,687 in cost details of the positions as included in the FY 1999-2000 Budget.

At its meeting of August 11, 1999, the Finance and Labor Committee requested additional information concerning the Planning Department's enforcement program.

Ms. Mary Gallagher, the City's Zoning Administrator, has advised the Budget Analyst that a representative of the Planning Department will attend the Finance Committee meeting of September 29, 1999, to respond directly to the Finance and Labor Committee regarding such requested information.

San Francisco Planning Department
FY 1999-2000 Budget Proposal: Neighborhood Planning Unit's Request for Additional Staff

Background

The San Francisco Planning Department is composed of six units which undertake various aspects of current and long-range planning and environmental review for the City of San Francisco. The Neighborhood Planning unit within the Department is staffed by 50 positions and is organized geographically to undertake the review of all types of planning applications and building permits and to enforce the Planning Code. This unit engages in neighborhood outreach to better understand neighborhood needs and, once sufficiently funded, to develop plans, design guidelines, enforcement programs and other special programs designed to respond to the unique needs of individual neighborhoods. The Major Environmental Analysis Unit is staffed by 19 positions and is charged with conducting environmental review California Environmental Quality Act (CEQA).

In developing the Department's fiscal year 1999-2000 budget and work program, the Neighborhood Planning and Major Environmental Analysis Units undertook a needs assessment which examined the work flow, including the type and number of applications received and, for Neighborhood Planning, needs expressed by the neighborhoods in last year's Neighborhood Planning Survey -- a survey of neighborhood organizations relating to planning issues. This assessment revealed that the number and complexity of applications has risen dramatically in the past year and far exceeded the number of applications that could be reviewed by the current staffing levels, that the applications brought in fees that would fully support enough new staff members to adequately review these applications; that by law the money from these applications must be put to use in reviewing the applications; and that the number one planning priority for neighborhood organizations is enforcement.

The Proposal

To respond to this needs assessment, the Department is asking for 13 new positions, fully paid for by application fees, to review applications and to enforce the Planning Code and monitor mitigation measures. Two of the positions will be review projects for CEQA compliance. This review is required by law. Projects cannot be considered for approval without CEQA review. Members of the public pay hefty fees to enable the Department to undertake this review. Without the new staff, the applicant's money is not put to any use and their project is frozen. Eleven of the positions will be assigned to Neighborhood Planning to review applications and enforce the Planning Code.

The Neighborhood Planning Unit currently has four geographic teams, each staffed by 6-9 planners and one support staff, as well as several pooled support staff, two Planner V's and the Zoning Administrator. Originally, the Department requested 18.5 positions for this unit. At that time, the proposal was to bring each of the four teams up to 10 people each, create a fifth geographic team and create one "tactical" team. The Mayor's office worked with the Department to arrive at a reduction in the request -- from 18.5 to 11. With this reduction, the proposal changed by omitting the fifth team. (This decision was made by the planners who staff the teams now. It was based on the fact that 10 persons per team appears to be the optimal number of staff on a team in order to

have enough expertise of various types to serve a neighborhood, to provide backup during vacations and illnesses, etc.) Each of the four teams would be brought up to 10 persons each and a tactical team would be created under the 11-person proposal. The tactical team would undertake the following duties:

1) develop and coordinate a neighborhood-based enforcement program (see below for fuller explanation)
2) undertake the second phase of a citywide historic resources survey
3) revise Articles 10 and 11 of the Planning Code
4) develop a training program for neighborhood planning staff to ensure planners know the code and implement it appropriately
5) improve procedures
6) facilitate neighborhood outreach for the teams
7) when there are unexpected influxes in applications, help the geographic teams review cases.

The Enforcement Program

The enforcement program would be developed and coordinated by the tactical team and implemented by the geographic teams. Initially, the tactical team would work closely with representatives of umbrella organizations, in particular the Coalition for San Francisco's Neighborhoods and the Council of District Merchants, to assist in selecting neighborhoods and neighborhood issues on which to focus, and with representatives from the Building Department, the Mayor's Office of Neighborhood Services and City Attorney's Office to coordinate the enforcement actions of other city agencies. The geographic team members would then work closely with individual neighborhood groups to fine-tune the program based on the needs of each neighborhood. For instance, if 24th Street is chosen as one of the targeted areas, the neighborhood groups their may want the Department to focus on the illegal conversion of upper-story housing to office use. Another neighborhood may find illegal outdoor dining their most pressing problem. Still another may want the enforcement work to include several use-types. It is estimated that a minimum of one FTE of planner's time will be devoted to each of the quadrants to assure that the program continues to provide adequate enforcement efforts to San Francisco's neighborhoods. Additional resources would be allocated to the tactical team for this effort. The Zoning Administrator would play a key role in developing the program.

The Department would commit to semi-annual reports to the Coalition and Council of District Merchants to ensure accountability and secure feedback on the program's efficacy.

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Neighborhood Planning Cost Figures for Position Increases

Position Title	Base Salary	Fringe	FTE	Full Cost	
Planner 5	$ 91,872	$ 22,049	1	$ 113,921	Some of the numbers are off by $1 or $2 due to rounding.
Planner 4	$ 77,491	$ 18,598	2	$ 192,178	
Planner 3	$ 65,302	$ 15,672	4	$ 323,896	
Planner 2	$ 55,071	$ 13,217	2	$ 136,576	
Planner 1	$ 45,310	$ 10,874	1	$ 56,184	
1426	$ 40,168	$ 9,640	1	$ 49,808	
		Subtotal	11	$ 872,566	

Major Enviromental Analysis Unit Cost Figures

Position Title	Base Salary	Fringe	FTE	Full Cost	
Planner 3	$ 65,302	$ 15,672	1	$ 80,974	
Planner 2	$ 55,071	$ 13,217	1	$ 68,288	
		Subtotal	2	$ 149,263	
		TOTAL/COST OF ALL POSITIONS	13	$ 1,021,828	
				13,859	(MOU Increase)
				$1,035,687	

Item 3 – File 99-1537

Note: This item was continued by the Finance and Labor Committee at its meeting of September 15, 1999.

Department: San Francisco Unified School District (SFUSD)

Item: Ordinance appropriating $60,713,766 of General Obligation Bonds (Educational Facility Bonds, 1997A – SFUSD) Series 1999B proceeds for capital improvement projects on various school facilities, cost of issuance, and debt service, for the San Francisco Unified School District for fiscal year 1999-2000.

Amount: $60,713,766

Source of Funds: General Obligation Bonds (Educational Facility Bonds, 1997A – SFUSD) Series 1999B, hereafter referred to as "Educational Facility Bonds, Series 1999B".

Description: On June 3, 1997, a total of $90,000,000 in General Obligation Bonds for the construction and upgrading of SFUSD educational facilities was approved by the electorate. Educational Facility Bonds, Series 1999B were issued on June 16, 1999 for the construction and/or reconstruction of educational facilities for the SFUSD. According to Ms. Laura Opsahl-Bordelon of the Mayor's Office of Public Finance and Economic Development, the total Bond proceeds for Education Facility Bonds, Series 1999B are in the amount of $60,713,766.

The subject supplemental appropriation would appropriate the $60,713,766 in Bond proceeds for the following: (a) $60,287,090 for capital improvement projects on various SFUSD school facilities, (b) $235,050 for bond issuance costs, and (c) $191,626 for debt service costs (accrued interest payments and a portion of the underwriter's premium).

Budget: The budget is summarized as follows:

Purpose of Appropriation	Incurred as of 09/08/99	Not Yet Expended	Total Estimated Costs
New Schools	$327,406	$160,180	$487,586
Children's Centers	1,329	47,983	49,312
Science Laboratories	376,178	336,549	712,727
Seismic Upgrades	1,330,265	523,747	1,854,012
Technology Upgrades	4,361,638	9,489,840	13,851,478
Renovation	25,656,418	9,749,112	35,405,530
Health and Safety	46,860	14,328	61,188
Disability Access Improvements	5,672,817	2,142,964	7,815,781
Reduced Class Size	45,873	3,603	49,476
Subtotal	37,818,784	22,468,306	60,287,090
Bond Issuance Costs	0	235,050	235,050
Debt Service	0	191,626	191,626
TOTAL	$37,818,784	$22,894,982	$60,713,766

Attachment I, provided by the SFUSD, contains a project budget for the proposed capital improvements totaling $60,287,090 for Phase I which would be funded by the Educational Facility Bonds, Series 1999B in FY 1999-2000.

Attachment I also contains the proposed capital improvements totaling $29,712,910 for Phase II. Together, Phases I and II account for the total SFUSD capital improvement program cost of $90,000,000. According to Mr. Tim Tronson of the SFUSD, the SFUSD will seek a second bond issuance to fund Phase II. He advises that the SFUSD anticipates, based on current project scheduling and subject to Board of Supervisors approval, that the second bond issuance will occur within the next 12-18 months.

Comments: 1. In November 1997, the Board of Supervisors authorized and directed the sale of General Obligation Bonds (Educational Facility Bonds, 1997 – SFUSD) Series

1998C not to exceed $47,000,000 (Resolution No. 149-98). The issuance of General Obligation Bonds (Educational Facility Bonds, 1997 – SFUSD) Series 1998C was delayed due to litigation related to Proposition D which had been placed on the same June 3, 1997 ballot to authorize the City to issue Football Stadium Bonds to finance a portion of a new stadium development project at Candlestick Point. This litigation delayed bond counsel issuing a final opinion on the validity of the SFUSD bonds. Consequently, the SFUSD requested that additional Bond funds be issued to cover project costs for an additional year. On March 1, 1999 the Board of Supervisors authorized and directed the sale of Educational Facility Bonds, Series 1999B, not to exceed $64,000,000 (File 99-0200), thereby replacing the previous authorization of $47,000,000. This represented an increase of $17,000,000, or approximately 36 percent.

Educational Facility Bonds, Series 1999B were issued on June 16, 1999 (File 99-1154). According to Ms. Opsahl-Bordelon, the total Bond proceeds for Education Facility Bonds, Series 1999B are in the amount of $60,713,766.

2. According to Mr. Tronson, SFUSD capital improvement project expenditures of $37,818,784, or approximately 63 percent, of the subject $60,287,090 capital improvements budget have already been incurred as of September 8, 1999, prior to obtaining Board of Supervisors approval. Attachment II is a memorandum from Mr. Tronson which explains why the SFUSD expended $37,818,784 of the subject funds prior to obtaining appropriation approval from the Board of Supervisors.

3. Subsequent to the completion of our initial report on this item for the September 15, 1999 Finance and Labor Committee meeting, we received a revision to the figures originally supplied to our office, and shown in the Table above. This revision resulted in a reallocation of total estimated costs of approximately $148,000 of the subject $60.7 million request between the Technology Upgrades project classification and the Renovation project classification. However, project allocations are frequently adjusted for large capital projects and such allocations do not affect appropriation control of the bond funds.

4. Our primary concern with this proposed ordinance remains the fact that the SFUSD expended approximately 63 percent of the requested funds for these projects prior to appropriation approval by the Board of Supervisors.

5. The Finance and Labor Committee continued consideration of this proposed ordinance and instructed the Controller, the Mayor's Office of Finance and the Budget Analyst to review actual SFUSD spending and projected project costs for the projects identified in Attachment I in order to determine the extent to which project funds have been expended for the purposes originally identified for the issuance of the bonds. Mr. Enrique Navas, Chief Financial Officer of the SFUSD, has agreed to provide such data in a report format prescribed by the Controller, Mayor's Office of Finance and the Budget Analyst.

6. As of the writing of this report, the SFUSD has not provided project expenditure and estimated total cost data for the bond funded projects. According to Mr. Navas, such a report will not be available for presentation to the Finance and Labor Committee until the Committee meeting of October 6, 1999.

Recommendation: Continue the proposed ordinance to the Finance and Labor Committee meeting of October 6, 1999.

Attachment I
Page 1 of 13

SAN FRANCISCO UN[illegible]D SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
1.	996	21st Century ES	Computer Network Installation	254,494		254,494
			Total Estimate Expenditure			254,494
2.	404	A.P. Giannini MS	Computer Network Installation	427,206		427,206
			Science Lab Upgrade	273,531		273,531
			Total Estimate Expenditure			700,737
3.	405	Abraham Lincoln HS	Child Care Renovations	333,335		333,335
			Computer Network Installation	363,410		363,410
			Science Lab Upgrade	957,361		957,361
			Total Estimate Expenditure			1,654,106
4.	413	Alamo ES	Computer Network Installation	259,659		259,659
			Total Estimate Expenditure			259,659
5.	737	Alice Fong Yu ES	New School Building	4,525,765	1,474,235	6,000,000
			Computer Network Installation		194,277	194,277
			Total Estimate Expenditure			6,194,277
6.	420	Alvarado ES	Computer Network Installation	274,188		274,188
			Total Estimate Expenditure			274,188
7.	431	Aptos MS	Computer Network Installation	522,180		522,180
			Science Lab Upgrade	307,723		307,723
			Total Estimate Expenditure			829,903
8.	903	Argonne CC	Child Care Renovations	3,000,000		3,000,000
			Total Estimate Expenditure			3,000,000
9.	435	Argonne ES	Computer Network Installation	105,732		105,732
			Total Estimate Expenditure			105,732
10.	439	Balboa HS	Child Care Renovations	333,333		333,333

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SAN FRANCISCO UN.   :D SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
			Computer Network Installation	714,466		714,466
			Science Lab Upgrade	782,574		782,574
			Seismic Upgrade	620,000		620,000
			Total Estimate Expenditure			2,460,373
11.	446	Benjamin Franklin MS	Computer Network Installation	447,184		447,184
			Total Estimate Expenditure			447,184
12.	724	Buena Vista ES/CC	Computer Network Installation	195,107		195,107
			Total Estimate Expenditure			195,107
14.	910	Burnett CC	Computer Network Installation		42,907	42,907
			Total Estimate Expenditure			42,907
15.	407	Cabrillo ES	Computer Network Installation	223,335		223,335
			Total Estimate Expenditure			223,335
16.	603	Cesar Chavez ES	Computer Network Installation		174,337	174,337
			Total Estimate Expenditure			174,337
17.	476	Chinese Education Center ES	Computer Network Installation		107,012	107,012
			Total Estimate Expenditure			107,012
18.	479	Claire Lilienthal ES (K-2)	New School Building	4,000,000		4,000,000
			Total Estimate Expenditure			4,000,000
19.	880	Claire Lilienthal ES (3-8)	Computer Network Installation	215,901		215,901
			Total Estimate Expenditure			215,901
20.	478	Clarendon ES	Computer Network Installation	201,267		201,267
			Total Estimate Expenditure			201,267

SAN FRANCISCO UN. ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
21.	481	Cleveland ES	Computer Network Installation	223,335		223,335
			Total Estimate Expenditure			223,335
22.	488	Commodore Sloat ES	Computer Network Installation		242,415	242,415
			Total Estimate Expenditure			242,415
23.	915	Commodore Stockton CC	Computer Network Installation		102,286	102,286
			Total Estimate Expenditure			102,286
24.	488	Commodore Stockton ES	Computer Network Installation		160,414	160,414
			Total Estimate Expenditure			160,414
25.	497	Daniel Webster ES	Computer Network Installation	224,386		224,386
			Total Estimate Expenditure			224,386
26.	742	Downtown HS	Computer Network Installation	232,189		232,189
			Science Lab Upgrade	193,751		193,751
			Total Estimate Expenditure			425,940
27.	507	Dr. Charles R. Drew ES	Computer Network Installation		295,982	295,982
			Total Estimate Expenditure			295,982
28.	710	Dr. Martin Luther King MS	Computer Network Installation		251,257	251,257
			Total Estimate Expenditure			251,257
29.	525	Dr. William Cobb ES	Computer Network Installation	194,277		194,277
			Total Estimate Expenditure			194,277
30.	513	E.R. Taylor ES	Computer Network Installation	281,453		281,453
			Seismic Upgrade		240,000	240,000
			Total Estimate Expenditure			521,453
31.	517	Edison ES	Computer Network Installation		288,710	288,710
			Total Estimate Expenditure			288,710

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SAN FRANCISCO UN. ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
32.	521	El Dorado ES	Computer Network Installation	223,335		223,335
			Total Estimate Expenditure			223,335
33.	529	Everett MS	Computer Network Installation	408,174		408,174
			Science Lab Upgrade	193,751		193,751
			Total Estimate Expenditure			601,925
34.	537	Fairmount ES	Computer Network Installation	252,394		252,394
			Total Estimate Expenditure			252,394
35.	542	Filipino Education Center CC	Computer Network Installation		135,592	135,592
			Total Estimate Expenditure			135,592
36.	971	Florence Martin CC	Computer Network Installation		73,348	73,348
			Total Estimate Expenditure			73,348
37.	544	Francis Scott Key ES	Computer Network Installation		266,923	266,923
			Total Estimate Expenditure			266,923
38.	546	Francisco MS	Computer Network Installation	426,963		426,963
			Science Lab Upgrade	307,723		307,723
			Total Estimate Cost			734,686
39.	549	Frank McCoppin ES	Computer Network Installation		223,335	223,335
			Total Estimate Cost			223,335
40.	559	Galileo HS	Child Care Renovations	333,333		333,333
			Computer Network Installation	879,774		879,774
			Science Lab Upgrade	714,192		714,192
			Seismic Upgrade	800,000		800,000
			Total Estimate Cost			2,727,299

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
41.	562	Garfield ES	Computer Network Installation	216,071		216,071
			Total Estimate Cost			216,071
42.	653	George Moscone ES/Las Americas CC	Computer Network Installation	56,888		56,886
			Total Estimate Cost			56,886
43.	569	George Peabody ES	Computer Network Installation		194,277	194,277
			Total Estimate Expenditure			194,277
44.	571	George Washington HS	Computer Network Installation	1,222,790		1,222,790
			Science Lab Upgrade	1,299,230		1,299,230
			Total Estimate Expenditure			2,522,020
45.	625	George Washington Carver ES	Computer Network Installation	252,394		252,394
			Total Estimate Expenditure			252,394
46.	575	Glen Park ES	Computer Network Installation		207,097	207,097
			Total Estimate Expenditure			207,097
47.	999	Gloria R. Davis MS	Science Lab Upgrade		307,723	307,723
			Total Estimate Expenditure			307,723
48.	579	Golden Gate ES/CC	Computer Network Installation	259,659		259,659
			Total Estimate Expenditure			259,659
49.	589	Grattan ES	Computer Network Installation	230,599		230,599
			Total Estimate Expenditure			230,599
50.	593	Guadalupe ES	Computer Network Installation	208,806		208,806
			Total Estimate Expenditure			208,806
51.	505	Harvey Milk Civil Rights ES	Computer Network Installation		179,747	179,747
			Total Estimate Expenditure			179,747

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SAN FRANCISCO UN. ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR 3-YEAR PERIOD

				Bond Issuance		
No.	Site No.	School	Projects	Phase I 1999-2000	Phase II 2000-2001	Subtotal Est. Expend.
52.	607	Herbert Hoover MS	Computer Network Installation	456,059		456,059
			Science Lab Upgrade	273,531		273,531
			Total Estimate Expenditure			729,590
53.	614	Hillcrest ES	Computer Network Installation	281,453		281,453
			Total Estimate Expenditure			281,453
54.	618	Horace Mann Academic MS	Computer Network Installation	306,705		306,705
			Total Estimate Expenditure			306,705
55.	743	Ida B. Wells HS	Computer Network Installation	220,682		220,682
			Science Lab Upgrade	357,096		357,096
			Total Estimate Expenditure			577,778
56.	624	International Studies	Computer Network Installation	280,318		280,318
			Total Estimate Expenditure			280,318
57.	630	J. Eugene McAteer HS	Child Care Renovations	50,000	283,333	333,333
			Computer Network Installation	798,151		798,151
			Science Lab Upgrade	862,354		862,354
			Total Estimate Expenditure			1,993,838
58.	632	James Denman MS	Computer Network Installation		522,155	522,155
			Total Estimate Expenditure			522,155
59.	634	James Lick MS	Computer Network Installation	564,507		564,507
			Science Lab Upgrade	193,751		193,751
			Total Estimate Expenditure			758,258
60.	638	Jean Parker ES	Computer Network Installation	111,773		111,773
			Total Estimate Expenditure			111,773

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

17

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Phase II 2000-2001	Subtotal Est. Expend.
61.	644	Jefferson ES	Computer Network Installation		230,599	230,599
			Total Estimate Expenditure			230,599
62.	940	Jefferson Annex CC	Computer Network Installation		84,216	84,216
			Total Estimate Expenditure			84,216
63.	950	John McLaren CC	Computer Network Installation		103,789	103,789
			Total Estimate Expenditure			103,789
64.	650	John Muir ES	Computer Network Installation	325,041		325,041
			Total Estimate Expenditure			325,041
65.	651	John O'Connell HS	Computer Network Installation		482,989	482,989
			Science Lab Upgrade		1,299,230	1,299,230
			Total Estimate Expenditure			1,782,219
66.	466	John O'Connell (Mark Twain)	Computer Network Installation		240,795	240,795
			Total Estimate Expenditure			240,795
67.	652	John Swett ES	Computer Network Installation	212,242		212,242
			Total Estimate Expenditure			212,242
68.	817	John Yehall Chin ES	Computer Network Installation	194,277		194,277
			Total Estimate Expenditure			194,277
69.	746	Jose Ortega ES	Computer Network Installation		259,659	259,659
			Total Estimate Expenditure			259,659
70.	656	Junipero Serra ES	Computer Network Installation		179,747	179,747
			Total Estimate Expenditure			179,747
71.	956	Junipero Serra Annex CC	Computer Network Installation		86,019	86,019
			Total Estimate Expenditure			86,019

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SAN FRANCISCO UN[illegible]ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
72.	664	Lafayette ES	Computer Network Installation	288,718		288,718
			Total Estimate Expenditure			288,718
73.	960	Laguna Golden Gate CC	Computer Network Installation		63,201	63,201
			Total Estimate Expenditure			63,201
74.	670	Lakeshore ES	Computer Network Installation		232,879	232,879
			Total Estimate Expenditure			232,879
75.	676	Lawton ES	Computer Network Installation		293,955	293,955
			Total Estimate Expenditure			293,955
76.	680	Leonard R. Flynn ES	Computer Network Installation		281,453	281,453
			Total Estimate Expenditure			281,453
77.	691	Longfellow ES	Computer Network Installation		245,129	245,129
			Total Estimate Expenditure			245,129
78.	697	Lowell HS	New School Building	3,556,336	3,443,664	7,000,000
			Computer Network Installation	121,932	690,949	812,881
			Science Lab Upgrade	217,108	1,230,284	1,447,392
			Total Estimate Expenditure			9,260,273
79.	701	Luther Burbank MS	Science Lab Upgrade	307,723		307,723
			Computer Network Installation	522,180		522,180
			Total Estimate Expenditure			829,903
80.	830	Malcolm X ES	Computer Network Installation		245,129	245,129
			Total Estimate Expenditure			245,129
81.	708	Marina MS	Computer Network Installation		556,736	556,736
			Science Lab Upgrade	273,531		273,531
			Total Estimate Expenditure			830,267

SAN FRANCISCO UN. ' :D SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
82.	714	Marshall ES	Computer Network Installation		187,012	187,012
			Total Estimate Expenditure			187,012
83.	718	McKinley ES	Computer Network Installation		223,335	223,335
			Total Estimate Expenditure			223,335
84.	722	Miraloma ES	Computer Network Installation		223,763	223,763
			Total Estimate Expenditure			223,763
85.	964	Mission Annex CC	Computer Network Installation		53,053	53,053
			Total Estimate Expenditure			53,053
86.	965	Mission CC	Computer Network Installation		73,348	73,348
			Total Estimate Expenditure			73,348
87.	460	Mission Education Center ES	Computer Network Installation		187,012	187,012
			Total Estimate Expenditure			187,012
88.	725	Mission HS	Computer Network Installation	799,542		799,542
			Science Lab Upgrade	440,660		440,660
			Seismic Upgrade	1,100,000		1,100,000
			Total Estimate Expenditure			2,340,202
89.	729	Monroe ES	Computer Network Installation		216,071	216,071
			Total Estimate Expenditure			216,071
90.	424	New Traditions Ctr. ES	Computer Network Installation	179,747		179,747
			Total Estimate Expenditure			179,747
91.	738	Newcomer HS	Computer Network Installation		245,127	245,127
			Total Estimate Expenditure			245,127

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Attachment I
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.20/99

SAN FRANCISCO UN. ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Phase II 2000-2001	Subtotal Est. Expend.
92.	920	Noriega CC	Computer Network Installation		103,789	103,789
			Total Estimate Expenditure			103,789
93.	754	Parkside ES/CC	New School Building	4,090,630	6,909,370	11,000,000
			Total Estimate Expenditure			11,000,000
94.	760	Paul Revere & Annex ES	Computer Network Installation		201,541	201,541
			Total Estimate Expenditure			201,541
95.	804	Philip & Sala Burton HS	Child Care Renovations	50,000	283,333	333,333
			Computer Network Installation	668,303		668,303
			Science Lab Upgrade	717,976		717,976
			Total Estimate Expenditure			1,719,612
96.	773	Potrero Hill MS	Computer Network Installation	392,957		392,957
			Total Estimate Expenditure			392,957
97.	007	Presidio MS	Computer Network Installation	366,172		366,172
			Science Lab Upgrade	273,531		273,531
			Total Estimate Expenditure			639,703
98.	785	Raoul Wallenberg HS	Computer Network Installation	286,234		286,234
			Science Lab Upgrade	471,067		471,067
			Total Estimate Expenditure			757,301
99.	077	Raphael Weill CC	Computer Network Installation		70,103	70,103
			Total Estimate Expenditure			70,103
100.	790	Redding ES	Computer Network Installation		208,806	208,806
			Total Estimate Expenditure			208,806
101.	702	Robert Louis Stevenson ES	Computer Network Installation		230,599	230,599
			Total Estimate Expenditure			230,599

1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
102.	796	Rooftop ES	Computer Network Installation	234,355		234,355
			Total Estimate Expenditure			234,355
103.	003	Rooftop MS (Corbett)	Computer Network Installation	137,528		137,528
			Total Estimate Expenditure			137,528
104.	797	Roosevelt MS	Computer Network Installation	392,957		392,957
			Total Estimate Expenditure			392,957
105.	706	Rosa Parks ES	Computer Network Installation	303,247		303,247
			Total Estimate Expenditure			303,247
106.	493	S.F. Community/Excelsior ES	Computer Network Installation	160,571		160,571
			Total Estimate Expenditure			160,571
107.	987	San Miguel CC	Computer Network Installation		107,615	107,615
			Total Estimate Expenditure			107,615
108.	816	Sanchez ES	Computer Network Installation	332,305		332,305
			Total Estimate Expenditure			332,305
109.	983	Sarah B. Cooper CC	Computer Network Installation		251,876	251,876
			Total Estimate Expenditure			251,876
110.	694	School Of The Arts HS	Computer Network Installation		302,761	302,761
			Science Lab Upgrade		550,847	550,847
			Total Estimate Expenditure			853,608
111.	250	SFUSD Stoffer Warehouse	Seismic Upgrade	410,000		410,000
			Total Estimate Expenditure			410,000
112.	820	Sheridan ES	New School Building	5,000,000		5,000,000
			Computer Network Installation	105,732		105,732
			Total Estimate Expenditure			5,105,732

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SAN FRANCISCO UN[illegible]ED SCHOOL DISTRICT
1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Bond Issuance Phase II 2000-2001	Subtotal Est. Expend.
113.	823	Sherman ES	Computer Network Installation	289,622		289,622
			Total Estimate Expenditure			289,622
114.	834	Spring Valley ES	Computer Network Installation		204,545	204,545
			Total Estimate Expenditure			204,545
115.	838	Starr King ES	Computer Network Installation	252,394		252,394
			Total Estimate Expenditure			252,394
116.	842	Sunnyside ES	Computer Network Installation		242,194	242,194
			Total Estimate Expenditure			242,194
117.	750	Sunset ES	Computer Network Installation		175,883	175,883
			Total Estimate Expenditure			175,883
118.	741	Sunshine HS (Family Development)	Computer Network Installation	150,209		150,209
			Total Estimate Expenditure			150,209
119.	848	Sutro ES	Computer Network Installation		223,335	223,335
			Total Estimate Expenditure			223,335
120.	923	Theresa S. Mahler CC	Computer Network Installation		71,868	71,868
			Total Estimate Expenditure			71,868
121.	764	Thurgood Marshall HS	Child Care Renovations	333,333		333,333
			Computer Network Installation	500,025		500,025
			Science Lab Upgrade	193,751		193,751
			Total Estimate Expenditure			1,027,109
122.	852	Treasure Island ES	Computer Network Installation		368,629	368,629
			Total Estimate Expenditure			368,629

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1997 PROPOSITION A BOND ISSUANCE
ESTIMATE OF EXPENDITURES FOR
3-YEAR PERIOD

No.	Site No.	School	Projects	Bond Issuance Phase I 1999-2000	Phase II 2000-2001	Subtotal Est. Expend.
123.	862	Ulloa ES	Computer Network Installation		269,782	269,782
			Total Estimate Expenditure			269,782
124.	867	Visitacion Valley ES	Computer Network Installation	295,982		295,982
			Total Estimate Expenditure			295,982
125.	876	West Portal ES	Computer Network Installation	38,378	200,148	242,525
			Seismic Upgrade	124,500	705,500	830,000
			Total Estimate Expenditure			1,072,525
126.	509	William R. De Avila ES	Computer Network Installation	208,710		208,718
			Total Estimate Expenditure			208,710
127.	997	Yerba Buena CC	Computer Network Installation		75,018	75,018
			Total Estimate Expenditure			75,018
128.	801	Yick Wo ES	Computer Network Installation		241,975	241,975
			Total Estimate Expenditure			241,975
129.	936	Yoey at Bessie Smith CC	Child Care Renovations	1,000,000		1,000,000
			Total Estimate Expenditure			1,000,000
			TOTAL ESTIMATED EXPENDITURES:	60,287,090	29,712,910	90,000,000

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SFUSD SAN FRANCISCO
UNIFIED SCHOOL DISTRICT
FACILITIES PLANNING & CONSTRUCTION

Memorandum

To:	Alan Gibson, Budget Analyst
CC:	Enrique Navas, CFO
From:	Tim Tronson
Date:	09/10/99
Re:	Advance Expenditures

In accordance with your request. I am providing you with the San Francisco Unified School District's ("District") reasons and information related to advance expenditures of the anticipated proceeds from the General Obligation Bonds (Education Facility Bond, 1997A – San Francisco Unified School District), Series 1999B for educational improvements. The issues are as follows:

1. Since the passage of the Proposition A on June 3, 1997, the District has proceeded with the planning, review and construction of its bond funded projects. Because of the pendancy of the SF 49ers' case and bond counsel's position, the District could not sell the bonds to pay for the projects. Therefore, the District has fronted the costs of these projects from its own fund sources. The District has proceeded with these projects for the following reasons:

   (1) Long planning lead-time (see paragraph 2 below).

   (2) Availability of State funding (see paragraph 3 below).

   (3) Several of the projects affected the health and safety of the District's students and employees. The District intends to use a portion of its bond proceeds for such projects, including structural upgrades of buildings that do not meet current seismic codes.

   (4) Several of the projects improved the ability of students and employees with disabilities to utilize the District's facilities. The District intends to use a portion of its bond proceeds to address facilities issues that limit access to persons with disabilities.

   (5) The implementation of classroom reduction statewide has placed severe constraints on this District's ability to house elementary school children. The average "students per classroom loading schedule" (statewide) has gone from 32 students per classroom to 20 students per classroom. Consequentially, the

1551 Newcomb Avenue San Francisco CA 94124 Telephone (415) 695-5500 Fax (415) 695-5667

September 10, 1999

32 students per classroom to 20 students per classroom. Consequentially, the demand for elementary school facilities has exceeded the supply since the District houses far less students on the same school site. In San Francisco, we are accommodating a portion of the student housing needs with the bond proceeds. These projects include the planning and construction of the new Parkside Elementary School, three new academic wings (Sheridan ES, Claire Lilienthal ES, Alice Fong Yu ES), a gymnasium, and an auditorium.

2. The typical overall planning, review and construction process takes 24-36 months, depending on the scope of the project. The District does not go through the City Planning Department, for its plan review process, the construction of facilities, or the completion of improvements. The District goes through the Department of the State Architect (DSA) for its plan review. This process takes approximately six to eight months. In addition to DSA, the District goes through a Department of Education (DEA) review (usually 1-2 months) and a review by the Office of Public School Construction (OPSC) review (2-3 months). The District is also required to plan the site development or improvement in advance of these reviews. This process, depending on the scope of the project, takes from 12-18 months.

   During this process, the District retains the services of a professional architect and all of the engineering trades (electrical, mechanical, geo-technical and structural) to complete the project plans and specifications. The District pays for all of these services and the design review as they are completed and in advance of State approval and funding and bidding approval. When this process is finished and the project is placed out to bid, the District awards and funds the completion of the project through a general contractor. The typical construction project runs 12-18 months. Considering the above information, the District had planned and prepared for bid a number of projects that were included within the bond proposal. When the bond passed, these projects were placed out to bid and awarded to general contractors for construction. These projects are currently under construction.

3. As you know, the District intends to utilize bond proceeds, bond interest earnings, and all of its other sources of revenue to build facilities, modernize facilities, augment existing facilities, and complete seismic and technology infrastructure improvements throughout the City and County of San Francisco. Since the passage of the Proposition A on June 3, 1997, the District has proceeded with the planning, review and project application process with the State for seventeen (17) District sites. These 17 projects are shared funding projects, meaning that the State will fund 80% (eighty) of the improvement project and the District will fund 20%. The total value of the improvement work to be completed on the 17 sites is $49,642,466.00. The State's 80% share amounts to $39,713,972.80 with the District's portion equaling $9,928,493.20. The District was anticipating the utilization of the interest earnings from the bond proceeds and other source funds to meet its commitment on these projects. Without the use of these interest earnings from the bond proceeds the District will be unable to proceed with the development of these projects.

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Additionally, State fund grants are limited in both the amount and the duration of availability. If the District had been unable to proceed with the development of these projects by February 1998, it was likely that the District would have lost the State's commitment to fund its 80% share of $39,713,972.80.

Thanks
Tim Tronson

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Item 4 – File 99-1699

Department: Public Utilities Commission (PUC)
Water Department

Item: Ordinance appropriating $300,000 to fund landslide repairs on land owned by the Water Department located behind the Crystal Springs Pump Station, in San Mateo County.

Amount: $300,000

Source of Funds: Water Operating Fund – Unappropriated Fund Balance

Description: This supplemental appropriation would fund, in the amount of $300,000, for repairing and stabilizing the landslide on land owned by the Water Department behind the Crystal Springs Pump Station, in San Mateo County.

Budget: The proposed budget is summarized as follows:

Expenditure Item	Amount
Geotechnical consultant (AGS Inc.)	$57,000
Construction contract (Miller Thompson Constructors)	193,063
PUC engineering, inspection, administration	49,937
TOTAL	$300,000

A more detailed budget and budget explanations are contained in Attachments I and II, provided by Mr. Suresh Patel of the PUC.

Attachment I outlines the problems related to this potential disruption to the electrical power supply and the chronology of PUC actions taken after the President of the PUC declared an emergency on May 5, 1999 to expedite the repair and stabilization of the landslide. As shown in Attachment I, the total budget for this project is $280,000, or $20,000 less than the requested budget of $300,000. The $280,000 includes: (a) $57,000 for AGS Inc., a geotechnical consultant which is working for the PUC

under an emergency agreement due to the emergency declaration; (b) $193,063 for the construction contract awarded to Miller Thompson Constructors, the low bidder; and (c) $29,937 for PUC staff engineering, inspection and administration costs.

Attachment II, also provided by Mr. Patel, further breaks down the proposed budget of $29,937 for PUC staff engineering, inspection and administration costs. The total shown in Attachment II is $29,807, or $130 less than $29,937.

When the total reduced cost requirements are combined, they amount to $20,130 ($20,000 plus $130). Savings of $20,130 would reduce the requested appropriation from $300,000 to $279,870.

Comments:

1. According to Mr. Patel, in March 1999 a portion of the City-owned hillside behind the Crystal Springs Pump Station failed, destroying a concrete retaining wall bordering the adjacent electrical substation at the Crystal Springs Pump Station. As a temporary measure, the owner of the electrical substation, Pacific Gas and Electric Company, undertook temporary repairs on the retaining wall. Mr. Patel advises that in early May 1999, the PUC discovered that the landslide was still active and threatened to eventually damage the electrical substation which could have disrupted the electrical power supply from that electrical substation to the Crystal Springs Pump Station.

2. According to Mr. Patel, the PUC entered into an agreement with AGS Inc. for emergency geotechnical services in the amount of $57,000. The agreement sets maximum limits of (a) $26,000 for geotechnical investigation, (b) $21,000 for engineering design, and (c) $10,000 for review and construction support.

4. Attachment I also includes a list of the construction companies which submitted bids for this emergency repair work. As shown in Attachment I, Miller Thompson Constructors submitted the low bid of $193,063 and was awarded the construction contract. According to Mr.

Patel, the PUC has paid Miller Thompson Constructors $179,602 to date.

5. As previously noted, $29,807 rather than $49,937 is needed for the costs of PUC staff time which will be expended on engineering, inspection, and administrative tasks. The amount of $29,807 is $20,130 less than the amount of $49,937 requested for such work. Therefore, the total amount needed for this request is $279,870 or $20,130 less than the requested $300,000.

6. The work on the subject landslide repair began in May of 1999 and is anticipated to be completed in October of 1999.

Recommendations:

1. In accordance with Comment No. 5 above, amend the proposed ordinance to reduce the supplemental appropriation by $20,130, from $300,000 to $279,870.

2. Approve the proposed ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

PUBLIC UTILITIES COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., *MAYOR*
ANSON B. MORAN, *GENERAL MANAGER*
MICHAEL E. QUAN, *MANAGER*

September 21, 1999

Mr. Harvey Rose
Board of Supervisors' Budget Analyst
1390 Market St, suite 1025
San Francisco, Ca 94102

Re: File 99-1699 Crystal Springs Pump Station Emergency Landslide Repairs – Supplemental Appropriation

This is in response to Mr Alan Gibson of your staff requesting information on the above emergency project.

An emergency was declared by PUC, San Francisco Water Department, on May 5, 1999 to repair and stabilize the landslide, which occurred immediately behind the electrical substation. The emergency declaration was ratified by the PUC board on June 22, 1999. This substation is located adjacent to and supplies power to the Crystal Springs Pump Station. These two facilities are important and critical facilities of the San Francisco water supply system as they are used to transport water from the Crystal Springs Reservoir to the San Andreas Reservoir.

In May 1999, AGS Inc, geotechnical consultants were retained by the PUC, under an emergency contract/agreement, to perform geotechnical investigation of the landslide and prepare construction plans and specifications for its repair. The consultants completed the design in June of 1999. Bids for the project were received from four contractors on June 11, 1999. Miller Thompson Constructors submitted the low bid of $193,062.50 and were awarded the construction contract. PUC staff managed and inspected the construction work.

The budget for the emergency project is as follows:

Consultant Services - Geotechnical Investigation and Preparation of design documents	$ 57,000.00
Construction Contract – Miller Thompson Constructors	$193,062.50
PUC – Engineering, Inspection and management	$ 23,000.00

UTILITIES ENGINEERING BUREAU - PROJECT MANAGEMENT DIVISION
1155 MARKET STREET, 5TH FLOOR • SAN FRANCISCO, CALIFORNIA 94103 • (415) 554-0716 • (415) 554-1877

PUC – contract closeout	$ 6,937.50
Total Project Cost	$280,000.00

The consultant services comprised of (1) geotechnical investigation, which included drilling and testing, engineering analysis, recommendations and report ($26,000); (2) engineering design and preparing plans and specifications for construction ($21,000) and (3) review of shop drawings and other construction support during construction ($10,000). The construction contract comprised of the various items shown on the bid sheet, attached hereto. PUC design cost comprised of engineering services (site investigation, review of consultant's design and inspection $3,000); inspection of construction work ($11,000); and project management (preparation of agenda items, consultant agreements, contract administration $9,000). Contract closeout item includes preparing final construction documents, management and administrative work for contract acceptance and PUC approval.

Given the emergency nature of the situation, PUC initiated design and repair work using temporary funding from an existing Water Capital project. A supplemental appropriation request in the amount of $350,000 to cover all project costs was approved by the PUC. Total expenditures are now estimated at $280,000. If you have any questions, please give me a call at 554-1807.

Sincerely,

Suresh Patel
Project Manager

Cc: C Jacobo
chronfile

PUBLIC UTILITIES COMMISSION SCHEDULE OF BID PRICE

Contract No.: WD-2303E
Title: Crystal Springs Pump Station Landslide Repairs
Bid Date: 6/11/99
Estimate Cost:
HRC Goals: N/A

Item No.	Bid Description	Unit of Measure	Quantity	Miller/Thompson Constructors Unit Prica	Miller/Thompson Constructors Amount	Mendelian Construction Unit Price	Mendelian Construction Amount	Ned Clyde Construction Unit Price	Ned Clyde Construction Amount	Shimmick Construction Unit Price	Shimmick Construction Amount
1	Mobilization	LS			$ 7,000.00		$ 7,000.00		$ 7,000.00		$ 7,000 00
2	Demobilization	LS			$ 3,000.00		$ 3,000.00		$ 3,000.00		$ 3,000.00
3	Clear and Grub Site	LS			$ 12,250.00		$ 28,750.00		$ 5,440.00		$ 50,000.00
4	Excavate, haul and dispose of slide materiels to top of designated banches	LS			$ 23,000 00		$ 17,940.00		$ 16,320.00		$ 55,000.00
5	Load, haul and dispose of PG&E excavated slide materials and spoils	LS			$ 8,300.00		$ 13,800.00		$ 19,820.00		$ 10,000 00
6	Additional excavation, hauling and disposal of unsuitable material below top of designetad benches, and furnishing, plecing and compacting backfill material in the void to the top of designeted benches, with either angular crushed rock Class I Type B parmaable malerial fill or with imported select engineerad fill	CY	110	141.00	$ 15,510.00	34.5	$ 3,795.00	131	$ 14,410.00	55	$ 6,050 00
7	Furnish end place angular crushed rock Class I Typa B permeable material fill ebove top of designated benches to lines shown	TON	320	39 00	$ 12,480.00	69	$ 22,080 00	128	$ 40,960 00	60	$ 19,200.00
8	Furnish end place nonwoven geotextile filter fabric over Class I Type B permeable meteriel fill	SY	295	3.50	$ 1,032 50	3.45	$ 1,017.75	19	$ 5,605.00	10	$ 2,950.00
9	Furnish, placa and compact imported salect engineered fill above top of designated benches to lines shown	LS			$ 65,000.00		$ 88,964.00		$ 104,095.00		$ 105,000 00
10	Furnish and place riprap	TON	5	188.00	$ 940.00	69	$ 345.00	923	$ 4,615.00	150	$ 750.00
11	Furnish and install 4-inch perforatad PVC subdrain, including tranching, geotextila filter fabric and Class I Type A permeable meterial, complete in place	LF	180	105.00	$ 18,900.00	23	$ 4,140.00	62.5	$ 11,250.00	190	$ 34,200 00
12	Furnish and instell 8-inch PVC pipe including trenching, sand bedding end backfill, complete in place	LF	48	21.50	$ 1,032.00	23	$ 1,104 00	35	$ 1,680 00	190	$ 9,120 00
13	Furnish end install 12-inch PVC pipa including trenching, sand bedding and backfill, completa in place.	LF	108	86.00	$ 9,288.00	23	$ 2,484.00	45	$ 4,860 00	170	$ 18,360.00
14	Furnish and install drain inlet, including excevation and backfill, complete in placa	EA	3	1950.00	$ 5,850.00	1840	$ 5,520 00	1080	$ 3,240 00	800	$ 2,400 00
15	Construct reinforced concrete-line V-ditch and concrete apron, including excavation, reinforcement, contraction joints, curing and grading, complate in place	SY	90	84.00	$ 7,560 00	115	$ 10,350.00	54	$ 4,860.00	150	$ 13,500.00
16	Hydroseed sita	SY	600	3 20	$ 1,920.00	6.9	$ 4,140.00	3.5	$ 2,100.00	6	$ 3,600.00
	TOTAL FOR ALL BID ITEMS				$ 193,062.50		$ 214,429.75		$ 249,255.00		$ 340,130.00

Attachment II

MEMORANDUM

Date: September 24, 1999
To: Alan Gibson
Budget Analyst Office
From: Suresh Patel
Subject: Crystal Springs Pump Station Emergency Landslide Repairs

As requeted, below is the details for PUC engineering services:

Design:

Engineering	Classification	Title	Hrs	Rate	Total
	5206	Associate Civil Engineer	40	71.20	2848.00
	5210	Senior Civil Engineer	4	95.41	381.64
Inspection	6318	Inspector	160	67.12	10,739.20
Project manag.	5504	Project manager II	100	88.52	8852.00
Total					22,820.84

Closeout:

Enginering	5366	Engineering Assoc. II	24	61.20	1468.80
Inspection	6318	Inspector	40	67.12	2684.80
Project manag.	5504	Project Manager II	32	88.52	2832.64
Total					6,986.24

Please call me if you need any additional information.

Cc: C Jacobo

Item 5 – File 99-1701

Department: Superior Court

Item: Ordinance setting schedules of compensation and other economic benefits for FY 1999-2000 for certain classifications of employees of the Superior Court.

Source of Funds: State Trial Court Agency Fund

According to Mr. David Greenburg of the City Attorney's Office, although the proposed ordinance to set the schedule of compensation for certain classifications of Superior Court employees requires approval by the Board of Supervisors in accordance with California Government Code Section 69900, the City is not be liable for any costs incurred in providing the wages or other benefits set forth in this ordinance since such costs have been assumed by the State. However, the proposed ordinance states that the City continues to have the responsibility for administering health and retirement benefits and payroll processing.

Description: The proposed ordinance would fix compensation and other economic benefits for 16 classifications, covering a total of 218 employees in the Superior Court for the one-year period retroactive from July 1, 1999 through June 30, 2000. The proposed ordinance, which relates to employees who are not represented by an employee organization, would be adopted pursuant to California Government Code Section 69900, and would establish economic conditions of employment and the methods of employee compensation.

The Superior Court employees covered by the proposed ordinance are as follows:

Classification	Current No. of Positions
280 Deputy Clerk	34
285 Executive Secretary	1
287 Administrative Secretary	1
289 Personnel/Payroll Director	1
290 Deputy Clerk	22
293 Interpreter Coordinator	1
297 Deputy Clerk	1
320 Deputy Clerk	27
330 Deputy Clerk	64
340 Information Clerk	2
342 Information Clerk Supervisor	1
678 Executive Secretary	2
350 Court Reporter	20
710 Court Reporter	37
255 Court Commissioner	3
215 Bail Commissioner	1
Total	218

The major fiscal provisions regarding the above 16 classifications covering a total of 218 positions in the Superior Court are as follows:

Wage Increases

The proposed ordinance would provide wage increases totaling 3.25 percent for FY 1999-2000, retroactively to July 1, 1999, to all of the employee classifications listed above, except for Classes 215 Bail Commissioner, 255 Court Commissioner, 350 Court Reporter and 710 Court Reporter, based on the following schedule:

Date	Percent Wage Increase
July 1, 1999	1.75 percent
December 25, 1999	1.50 percent
Total	3.25 percent

Classes 215 Bail Commissioner and 255 Court Commissioner would not receive a wage increase under the proposed ordinance, because their salaries are tied to those of Superior Court Judges, who received a salary increase effective July 1, 1999, according to Ms. Cheryl Martin, Personnel Manager of the Superior Court. The resulting salary increase for both

Classes 215 Bail Commissioner and 255 Court Commissioner was 2.5 percent, according to Ms. Martin.

Ms. Martin states that Classes 350 Court Reporter and 710 Court Reporter would not receive a wage increase under the proposed ordinance, because their salaries are set by California Government Code Section 70050.5. to match those of Court Reporters in the City of Los Angeles, who received a salary increase effective July 1, 1999. The resulting wage increase for both Classes 350 and 710 Court Reporters at the first and top steps was approximately 2 percent, according to Ms. Martin.

Longevity Pay

All employees in the classifications listed above, who have completed a total of 10 years of service with the Superior Court and/or for the City, will continue to receive an additional $0.30 per hour for longevity pay effective July 1, 1999, except for Classes 215 Bail Commissioner, 255 Court Commissioner, 350 Court Reporter and 710 Court Reporter. Ms. Martin advises that $0.30 per hour was the same amount of longevity pay granted in FY 1998-99.

According to the proposed ordinance, effective July 1, 1998, any employee who voluntarily moves to another classification will not be eligible for longevity pay until he/she serves 10 continuous years in the new classification. In addition, any employee who currently receives longevity pay will continue to receive such pay unless he/she voluntarily moves to another classification. Such employee would then be required to serve 10 continuous years in the new classification in order to receive longevity pay.

Health and Dental Care Benefits

According to the proposed ordinance, the following health and dental benefits would apply to all employees in the classifications listed above, except those in Classes 215 Bail Commissioner and 255 Court Commissioner.

- The Court would continue to pick-up employees' health benefits at a level set annually in accordance with the requirements of Appendix A8.423 of the Charter for the City's Health Service System. The level of health care benefits for FY 1999-2000 would be $2,170 per employee

per year, or $73 more than the $2,097 provided in FY 1998-99, according to Ms. Patricia Wu of the City's Health Service System.

- Additionally, $225 per employee per month would be paid toward dependent health care benefits, retroactive to July 1, 1999, and continuing for the duration of FY 1999-2000. Ms. Martin reports that $225 per employee per month was the same amount of dependent health care benefits paid in FY 1998-99.

- The level of dental coverage for FY 1999-2000 would be $887 per each employee and family dependent, which is the same level as in FY 1998-1999.

Retirement Pick-Up

For the period July 1, 1999 through June 30, 2000, the Court would continue to pick-up employees' share of retirement contributions to the City's Employees Retirement System in the following percentages:

- 8 percent of salary for Tier I members (employees hired prior to November 1976); and

- 7.5 percent of salary for Tier II members (employees hired after November 1976).

State Disability Insurance

According to the proposed ordinance, upon a vote of at least 50 percent plus one of the employees in the classifications listed above, except those in Classes 215 Bail Commissioner and 255 Court Commissioner, in support of being enrolled in the State Disability Insurance (SDI) Program at the employee's cost, the Board of Supervisors would take any and all necessary actions to enroll such employees in the SDI Program. The cost of the SDI Program would be paid by the employee through payroll deduction at a rate established by the State of California Employment Development Department.

Floating Holidays

Employees of the classifications noted above, except for Classes 215 Bail Commissioner and 255 Court Commissioner, would continue to receive four floating

holidays per year. Ms. Martin advises that Classes 215 Bail Commissioner and 255 Court Commissioner would not receive any floating holidays. The subject four floating holidays are granted from July 1, 1999 through June 30, 2000, except for Classes 350 Court Reporter and 710 Court Reporter. Classes 350 Court Reporter and 710 Court Reporter would receive four floating holidays based on a calendar year instead of a fiscal year.

Comments:

1. As shown in the Attachment, the Controller's Office estimates that the subject proposed ordinance will result in incremental costs of $227,092 for FY 1999-2000 and $62,976 in FY 2000-2001. In addition, according to Ms. Peg Stevenson of the Controller's Office, this ordinance will result in on-going incremental costs of approximately $290,000. Ms. Stevenson states that these costs are based on 161 employees (218 total Superior Court employees less 57 employees in Classes 350 Court Reporter and 710 Court Reporter). As previously noted, all costs resulting from the subject proposed ordinance are fully funded by the State. The Budget Analyst concurs with the Controller's cost estimates.

2. The proposed ordinance has been approved by a majority of the Judges of the Superior Court in accordance with California Government Code Section 69900, which states "Rates of compensation of all officers and assistants and other employees may be altered by joint action and approval of the board of supervisors and a majority of the judges of the court."

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

CITY AND COUNTY OF SAN FRANCISCO OFFICE OF THE CONTROLLER

Edward Harrington
Controller

September 24, 1999

Ms. Gloria L. Young, Clerk of the Board
Board of Supervisors
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Ordinance establishing Compensation for Trial Court Employees
File No. 99-1701

Dear Ms. Young:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an ordinance fixing compensation for certain classifications of Trial Court employees for fiscal year 1999-2000. The ordinance covers the period July 1, 1999 through June 30, 2000, and affects approximately 161 employees with a salary base of approximately $7.3 million.

Based on our analysis, the ordinance will result in incremental costs of approximately $227,000 in FY 1999-2000, and $63,000 in FY 2000-2001. The ordinance will result in a cost increase of approximately 3.1% above base salaries for FY 1999-2000. Please see Attachment A for specific cost estimates.

The cost of salaries and benefits for the employees covered under this ordinance are budgeted through the Trial Courts Agency Fund and paid for by the State of California. If you have any additional questions or concerns please contact me at 554-7500 or Peg Stevenson of my staff at 554-7522.

Sincerely,

Peg

for Edward M. Harrington
Controller

cc: Alice Villagomez, ERD
Harvey Rose, Budget Analyst

Attachment A
Trial Court Classifications
Estimated Costs 1999-2000
Controller's Office

Annual Incremental Costs/(Savings)	FY 1999-2000	FY 2000-2001[1]
Wage Increase 1.75% on July 1 and 1.5% on Dec. 25	$194,345	$53,895
Wage-Related Fringe Increases	32,747	9,081
Total Estimated Incremental Costs	227,092	62,976
Annual Amount Above 1998-99 Level	227,092	290,068
Cumulative Total Above 1998-99 Provisions		$517,161
Incremental Cost % of Salary Base	3.10%	0.88%

[1]Amount shown is due to annualization of the prior year increase

Item 6 – File 99-1644

Note: This item was continued by the Finance and Labor Committee at its meeting of September 12, 1999.

Department: Mayor's Office of Public Finance

Item: Resolution (a) approving the form of, and authorizing the execution and delivery by the City and County of San Francisco of Equipment Lease Supplement No. 8, between the City and County of San Francisco Finance Corporation, as lessor, and the City and County of San Francisco, as lessee, with respect to equipment to be used for City purposes, and providing for the related Certificate of Approval and a continuing Disclosure Certificate; (b) approving the issuance of Series 1999A Lease Revenue Bonds by said nonprofit corporation in an amount not to exceed \$9,800,000; (c) providing for reimbursement to the City of certain City expenditures incurred prior to the issuance of Series 1999A Lease Revenue Bonds; (d) providing for the execution of documents in connection therewith; and (e) ratifying actions previously taken.

Amount: Not to exceed \$9,800,000

Description: In June of 1990, San Francisco voters approved Proposition C, a Charter amendment which authorized the Board of Supervisors to authorize and approve the lease-financing of equipment purchases for the City through a nonprofit public benefit corporation, the San Francisco Finance Corporation. The equipment leased by the City is purchased by the San Francisco Finance Corporation with the proceeds of lease revenue bonds.

According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the City has issued lease revenue bonds for the procurement of equipment on an annual basis since FY 1990-91, with the exception of FY 1996-97 when such issuance was delayed until the following fiscal year. The Mayor's Office is now requesting authorization to issue up to \$9,800,000 in City and County of San Francisco Corporation Lease Revenue Bonds, Series 1999A (hereafter referred to as "Series 1999A Lease Revenue Bonds"), for the acquisition, construction, and installation of equipment previously approved by the Board of Supervisors in the FY 1999-2000 budget.

Interest rates on lease revenue bonds issued by nonprofit corporations are generally lower than the interest on other financing instruments, because of the tax-exempt status of investments in non-profit corporations. Proposition C requires that the San Francisco Finance Corporation not issue lease revenue bonds for equipment purchase unless the Controller certifies that the interest costs to the City will be lower through the San Francisco Finance Corporation than through the other financing instruments such as third party vendors. Under the proposed resolution, the Controller is required to certify that the interest rates are lower through the San Francisco Finance Corporation prior to the sale of the proposed Series 1999A Lease Revenue Bonds. According to Ms. Peg Stevenson of the Controller's Office, the Controller has certified that the interest rates to the city would be lower through the San Francisco Financing Corporation than through other financing instruments (see Comment 5 below).

In accordance with Proposition C, the total outstanding indebtedness of the San Francisco Finance Corporation may not exceed a principal amount of $20 million at any given time beginning in FY 1990-91, with the limit increasing by five percent in each subsequent fiscal year. The maximum amount of allowable indebtedness in FY 1999-2000 is $31,026,564 according to Ms. Hollenbeck.

The Board of Supervisors has previously authorized the issuance by the San Francisco Finance Corporation of up to $73,569,707 in lease revenue bonds, of which $67,315,000 was actually issued, to finance the purchase of equipment, as follows:

Fiscal Year	Authorized Lease Revenue Bonds
1990-91	$ 7,304,707
1991-92	Up to 10,000,000
1992-93	Up to 10,200,000
1993-94	Up to 7,000,000
1994-95	Up to 6,500,000
1995-96	Up to 7,065,000
1996-97	0
1997-98	Up to 14,000,000
1998-99	Up to 11,500,000
TOTAL	Up to $73,569,707

As noted above, the San Francisco Finance Corporation has been authorized to issue up to $73,569,707 since FY 1990-91 in lease revenue bonds to procure equipment on behalf of the City. According to the Mayor's Office of Public Finance, the actual amount of lease revenue bonds issued by the San Francisco Finance Corporation, the amounts which have been repaid, and the outstanding indebtedness as of October 1, 1999 will be as follows:

Series 1991A Bonds		
Lease Purchase Revenue Bonds Issued	$7,020,000	
Repayment to Date	7,020,000	
Outstanding Indebtedness: Series 1991A:		$ 0
Series 1992A Bonds		
Lease Purchase Revenue Bonds Issued	$5,555,000	
Repayment to Date	5,555,000	
Outstanding Indebtedness: Series 1992A:		0
Series 1993A Bonds		
Lease Purchase Revenue Bonds Issued	$10,200,000	
Repayment to Date	10,020,000	
Outstanding Indebtedness: Series 1993A:		180,000
Series 1994A Bonds		
Lease Purchase Revenue Bonds Issued	$6,850,000	
Repayment to Date	6,280,000	
Outstanding Indebtedness: Series 1994A:		570,000
Series 1995A Bonds		
Lease Purchase Revenue Bonds Issued	$6,075,000	
Repayment to Date	6,055,000	
Outstanding Indebtedness: Series 1995A:		20,000
Series 1996A Bonds		
Lease Purchase Revenue Bonds Issued	$7,065,000	
Repayment to Date	6,425,000	
Outstanding Indebtedness: Series 1996A:		640,000
Series 1997A Bonds	$13,715,000	
Lease Purchase Revenue Bonds Issued	4,320,000	
Payment to date		
Outstanding Indebtedness: Series 1997A:		9,395,000
Series 1998A Bonds	$10,835,000	
Lease Purchase Revenue Bonds Issued	1,490,000	
Payment to Date		
Outstanding Indebtedness: Series 1998A:		9,345,000
Projected Total Outstanding Indebtedness at 10/01/99		$20,150,000
Total Allowable Indebtedness		$31,026,564
Total Allowable Indebtedness Which Will Still Be Available at 10/01/99		$10,876,564

For FY 1999-2000, Proposition C established $31,026,564 as the maximum level of allowable indebtedness. As of October 1, 1999, it is projected that the amount of outstanding Proposition C indebtedness will be

$20,150,000, resulting in an available balance of $10,876,564 in unused debt capacity for equipment lease financing in FY 1999-2000.

The proposed resolution would authorize the issuance of new Series 1999A Lease Revenue Bonds in FY 1999-2000 in an amount not to exceed $9,800,000. This is within the San Francisco Finance Corporation's projected October 1, 1999 unused debt capacity for equipment lease financing under Proposition C of $10,876,564 for FY 1999-2000. Ms. Hollenbeck estimates that the Series 1999A Lease Revenue Bonds will be sold on a competitive basis on October 20, 1999.

According to Ms. Hollenbeck, the bond trustee for the San Francisco Finance Corporation will act as a bank for equipment purchases. Ms. Hollenbeck explains that various City departments have budgeted the annual lease payment within their FY 1999-2000 departmental budgets, as previously approved by the Board of Supervisors. Ms. Hollenbeck reports that the amount of the annual lease payments for the proposed Series 1999A Lease Revenue Bonds in FY 1999-2000 is approximately $174,000. This amount has been approved in the FY 1999-2000 budget under the General City Responsibility budget. A total of $10,923,000, including principal of $9,595,000 and interest of $1,328,000, would be paid over the six year term of the leases for the equipment listed in the Attachment provided by Ms. Hollenbeck. Ms. Hollenbeck reports that, pending authorization of the proposed resolution, the San Francisco Finance Corporation will sell bonds to prospective investors and will subsequently purchase the equipment on behalf of the City using the proceeds from the lease revenue bond funds. City departments will then make annual lease payments to the San Francisco Finance Corporation, which in turn will use these funds to repay the lease revenue bond interest and redemption.

In addition, the proposed resolution provides for (a) reimbursement to the City of up to $194,116 for bond issuance costs related to the proposed issuance of the Series 1999A Lease Revenue Bonds which have to be made prior to the actual date of issuance, (b) the

execution of documents needed to implement the proposed resolution, and (c) the ratification of actions previously taken.

The annual budgets of City departments must include the amount of the City's annual lease-purchase payments (including principal and interest) for equipment procured through the San Francisco Finance Corporation. Since these payments are required under the terms of the lease-purchase agreement with the San Francisco Finance Corporation, the annual payments become fixed costs of City departments for the term of the lease revenue bond repayment period, once the equipment has been procured and acquired by the San Francisco Finance Corporation. As noted above, City departments will make lease payments to the San Francisco Financing Corporation, which in turn will use such funds to repay the bond funds.

Comments:

1. The Attachment to this report, provided by Ms. Hollenbeck, contains a list of the equipment to be acquired, including (a) the applicable departments, (b) the number of units, and (c) the equipment costs, as previously approved by the Board of Supervisors in the FY 1999-2000 budget. As shown in the Attachment, total equipment costs are $8,005,943.

The estimated total project costs of $9,595,000 in Series 1999A Lease Revenue Bonds are as follows:

Equipment Costs	$8,005,943
Required Reserve Fund[1]	959,500
Bond Issuance Costs	194,116
Capitalized Interest[2]	435,441
TOTAL	$9,595,000

[1] Lease Revenue bonds have a legally required Reserve Fund equal, in this case, to 10 percent of the principal amount of the bonds.

[2] Pursuant to State law, the City cannot make any interest payments on lease revenue bonds until the City has received the equipment. However, interest on the lease revenue bonds begins accruing when the bonds are sold regardless of when the equipment is eventually purchased and received by the City. Therefore, capitalized interest, estimated in the amount of $435,441, must be paid from proceeds of the Series 1999A Revenue Lease Bonds until such a time as the equipment is actually received by the City and interest payments can be made from funds appropriated in the City budget.

2. The actual interest costs to the City of the proposed equipment lease-purchases cannot be determined precisely, because the interest rate will depend on prevailing financial market interest rates when the Series 1999A Lease Revenue Bonds are actually sold. Interest costs will also vary for each equipment item purchased based on the number of years in the repayment period for the item, which cannot exceed the useful life of the equipment.

Ms. Hollenbeck estimates that, if the proposed Series 1999A Lease Revenue Bonds are sold in a principal amount of approximately $9,595,000 at an estimated annual interest rate of 4.6 percent (based on current financial market interest rates), and if they are based on the expected repayment period of six years, the City's total principal and interest cost would be approximately $10,923,000 over the life of the Series 1999A Lease Revenue Bonds. Based on these estimates, as previously noted, the City's costs over the life of the Series 1999A Lease Revenue Bonds would be $9,595,000 in principal and $1,328,000 in interest costs, for a total cost of $10,923,000 over six years.

3. The proposed resolution would provide for a Continuing Disclosure Agreement. According to Ms. Hollenbeck, Federal law requires all cities and counties which issue tax-exempt debt to file an Annual Report with a national repository for the benefit of the investors. The Annual Report would contain the following: (1) the financial statements of the San Francisco Financing Corporation and the City; (2) the status of the project; (3) a summary of budgeted General Fund revenues and appropriations; (4) a summary of assessed valuation of taxable property; and (5) a summary of outstanding and authorized but unissued tax supported debt.

4. The use of lease financing is equivalent to borrowing funds, with resultant interest costs, to purchase equipment. Since such financing requires fixed, mandatory lease payments by City departments over several years, the use of lease-purchases "locks in" departmental expenditures for future years resulting in a

reduction in the amount of discretionary monies in the City's budget in future years. However, the Mayor's Office recommends the use of lease-financing with Proposition C bonds for the City's major equipment purchases in order to spread the equipment costs over several years, corresponding to the City's beneficial use of the equipment.

5. Under the proposed resolution, the Controller is required to certify, prior to the sale of the proposed Series 1999A Lease Revenue Bonds, that the interest rates are lower to the City through the San Francisco Finance Corporation than through other financing instruments. Ms. Peg Stevenson of the Controller's Office advises that the Controller reviewed the estimated interest rates for comparable equipment lease-financing that would be charged by various companies such as Ford Motor Credit, which would charge 5.25 percent annually for a comparable six year term of borrowing, and IBM, which would charge 5.39 percent annually for a six year term of borrowing. Based on that review, the Controller has certified in relation to the proposed Series 1999A Lease Revenue Bonds that if those bonds are sold on October 20, 1999, the estimated 4.6 percent annual interest rate that would be charged by the San Francisco Finance Corporation for a six year term of borrowing for the subject equipment to be leased would be lower than the interest rates that the surveyed companies would charge.

6. Based on the data reviewed, and in accordance with the Charter, as noted in Comment No. 5 above, the Controller has certified that the estimated interest rate of 4.6 percent to be paid by the City would be lower through the San Francisco Financing Corporation than through other financing instruments.

Recommendation: Approve the proposed resolution.

City and County of San Francisco Finance Corporation
Series 1999A Equipment List

Department	Equipment	# of Units	Per Unit Cost	Total Cost
Administrative Services	Cargo Van	1	23,000	23,000
Administrative Services	Passenger lift van	1	35,000	35,000
Adult Probation	Sedan-compact (CNG)	2	22,000	44,000
Animal Care	1 Ton outfitted van	1	35,000	35,000
City Attorney	Computer LAN Equipment	1	273,901	273,901
San Francisco General Hospital	Fluoroscan imaging system	1	69,105	69,105
San Francisco General Hospital	BTE Primus work Simulator	1	53,162	53,162
San Francisco General Hospital	TEE Probe	1	48,875	48,875
San Francisco General Hospital	Automatic Coverslipper and Fume Controller	1	33,092	33,092
San Francisco General Hospital	Adult Ventilator	1	30,380	30,380
San Francisco General Hospital	Humphrey Visual Field Analyzer II	1	29,591	29,591
San Francisco General Hospital	Osteopower Modular Handpiece	1	21,728	21,728
Medical Examiner	1 Ton w/ lift van	1	37,000	37,000
Medical Examiner	Gas Generator	1	45,000	45,000
Muni	1 Ton w/ lift van	2	27,000	54,000
Muni	Forklifts	2	27,000	54,000
Muni	2-1/2 Ton scissor truck w/ hyrailer for over power line repair	2	120,000	240,000
Muni	Heavy duty currency collection van	3	30,000	90,000
Muni	LRV jack & rerailer	1	75,000	75,000
Muni	Cargo Van - outfitted	2	25,000	50,000
Muni	LRV repair truck 26K GVWR 300hp diesel	1	110,000	110,000
Muni	Overhead Line Maintenance Truck	1	240,000	240,000
Fire	Van	2	24,500	49,000
Fire	Ambulances	3	136,200	408,600
Fire	Triple combination pumpers	3	255,978	767,934
Fire	Mini pumpers	1	76,000	76,000
Fire	Aerial ladder truck	1	458,315	458,315
Fire	Mid-size sedan	10	21,000	210,000
Public Health	Cisco catalyst 8500 & 5000 campus switch routers	1	140,000	140,000
Juvenile Probation	Compact sedan (CNG)	6	22,000	132,000
Juvenile Probation	Passenger van	3	26,500	79,500
Juvenile Probation	Car w/ security cage	1	25,500	25,500
Public Defender	Minivan	1	26,500	26,500
Police	Sedans - marked	40	29,694	1,187,760
Police	Sedans - unmarked	50	24,250	1,212,500
Parking & Traffic	Three wheelers	25	17,500	437,500
Parking & Traffic	1 Ton utility truck (signage repair)	1	45,000	45,000
Parking & Traffic	1/2 Ton utility truck (painting)	1	22,000	22,000
Parking & Traffic	1/2 Ton utility truck (signal repair)	1	35,000	35,000
Parking & Traffic	1 1/2 Ton utility truck (meter repair)	1	23,000	23,000
Parking & Traffic	Vans - outfitted	5	26,400	132,000
Parking & Traffic	Midsize sedan (CNG)	1	24,000	24,000
Recreation & Park	Garbage truck	1	140,000	140,000
Recreation & Park	Rubber tire backhoe	1	78,000	78,000
Recreation & Park	Ford F150	1	25,000	25,000
Recreation & Park	3/4 Ton pick-up Truck	1	53,000	53,000
Recreation & Park	3/4 Ton pick-up Truck	1	29,500	29,500
Recreation & Park	3/4 Ton pick-up Truck	1	29,000	29,000
Recreation & Park	3/4 Ton 4x4 pick-up truck	1	27,500	27,500
Recreation & Park	1 Ton dump truck	1	20,000	20,000
Recreation & Park	Dump truck	2	60,000	120,000
Recreation & Park	2 3/4 pick-up truck	1	37,500	37,500
Telecommunications	Compact car (CNG)	2	22,000	44,000
Telecommunications	Wiring & telecom trucks	3	30,000	90,000
Telecommunications	Wiring & telecom trucks	1	38,500	38,500
Telecommunications	Wiring & telecom trucks	1	35,000	35,000
Telecommunications	Grumen cable splicing van	1	55,000	55,000
				8,005,943

Item 7 – File 99-1580

Department: Airport

Item: Resolution approving the Controller's certification that security guard services for San Francisco International Airport can be practically performed by a private contractor at a lower cost than if the work were performed by City and County employees.

Services to be Performed: Airport security guard services which will provide (a) around-the-clock security guard services at seven Airport Operations Area access doors between the North, South, and International Terminals and the adjacent airfields, and (b) security guard services to supplement the San Francisco Police Department security forces at the new International Terminal, beginning in December of 1999.

Description: In March of 1999, the Airport reviewed its security procedures at the Airport Operations Area (AOA) access doors located between the North, South, and International Terminals, and the adjacent airfields, and discovered that unauthorized persons were able to enter the Airport through doors located between the existing three Airport terminals and the adjacent airfields. These doors are installed with electronic palm and card readers that allow authorized individuals, who have palm prints on file and have an identification card, to enter the Airport terminals through these doors. However, unauthorized individuals have been able to gain entrance through these doors by following closely behind individuals using the palm and card readers. To improve security at the AOA access doors, the Airport implemented security guard services at seven AOA access doors in the existing three terminals in April of 1999. The San Francisco Foreign Flag Carriers (SFFFC), which is a limited liability corporation of seventeen foreign-based airlines, has an existing contract with International Total Services (ITS) to provide security services for the seventeen SFFFC member airlines at the passenger loading entryways to the airfields in the International Terminal. In April of 1999 the Airport Commission approved a resolution in which SFFFC agreed to provide temporary security guard services for a period not to

exceed six months, through its existing contract with ITS, at the seven AOA doors in the three existing terminals. In the agreement approved by the Airport Commission, the Airport provided rent credits to the SFFFC member airlines in an amount not to exceed $68,400 per month (equal to 4560 hours of security services per month at $15 per hour) for a total amount not to exceed $410,400 (equal to $68,400 per month for six months) to reimburse SFFFC for the cost of the additional Airport-requested security guard services provided by ITS.

The Airport plans to provide longer-term security guard services at the seven AOA doors in the three existing terminals after the six-month agreement with the SFFFC expires. In addition, the Airport plans to provide security guard services in the new International Terminal to supplement the security work of the San Francisco Police Department (SFPD) personnel who will be assigned to the new International Terminal when it opens, beginning in December of 1999.

Approval of the proposed resolution would permit the Airport to contract with a private firm to provide security guard services (a) at the seven AOA doors located between the existing three terminals and the airfields, and (b) to supplement the security work of the SFPD personnel assigned to the new International Terminal, beginning in December of 1999.

Charter Section 10.104 provides that the City may contract with private firms for services which can be practically performed by a private contractor for a lower cost than similar work performed by City and County employees.

The Controller has determined that contracting for the Airport security guard services for FY 1999-2000 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$ 982,923	$1,159,991
Fringe benefits	293,078	320,913
Total	$1,276,001	$1,480,904
Contractual Service Cost	759,200	759,200
Estimated Savings	$ 516,801	$ 721,704

Comments:

1. According to Ms. Lily Lee of the Airport, the subject security guard services have not previously been contracted out and therefore, have not received prior Controller certification. Ms. Lee reports that the proposed contract will provide for (a) continuous security guard services at the seven AOA doors located between the existing three terminals and the airfields, and (b) security guard services to supplement the SFPD personnel who will provide security at the new International Terminal when it opens, beginning in December of 1999. According to Ms. Lee, the proposed contract is a one-time contract and will terminate when the Airport no longer requires the use of security guards in these areas, as follows:

(a) The Airport plans to construct turnstiles at the seven doors located between the existing terminals and the airfield by April of 2000, to augment the security provided by the palm and card readers, and when construction of the turnstiles is completed, the Airport plans to terminate the use of security guards at these doors. According to Ms. Lee, the contract to be negotiated between the private contractor and the Airport will have a clause that allows the Airport to terminate these services.

(b) The Airport plans to construct facility modifications in the new International Terminal, such as turnstiles at the doors located between the International Terminal and the airfield to augment the security provided by palm and card readers at these doors, and when such modifications are completed, the Airport plans to terminate the use of security guards to supplement the SFPD security in the International Terminal. Ms. Lee reports that the Airport expects to terminate the contract with the private contractor prior to June 30, 2001.

2. The Contractual Services cost used for the purpose of this analysis is based on the average of the bids presented by the private contractors who submitted bids under the bidding process, to provide security services for a twelve-month period from November 1, 1999 through October 30, 2000.

3. According to Ms. Jeannie Louie-Chin of Purchasing, the competitive bid results are under review by the Purchaser, and therefore, the Airport security guard services contract has not yet been awarded.

4. The Controller's supplemental questionnaire with the Airport's responses is shown in the Attachment to this report.

Recommendation: Approve the proposed resolution.

Charter 10.104.15 (Proposition J) Questionnaire

DEPARTMENT: SFIA Operations – Security Unit
CONTRACT SERVICES: Security Guard Services
CONTRACT PERIOD: July 1, 1999 through June 30, 2002

(1) **Who performed the activity/service prior to contracting out?**
Prior to contracting for unarmed security guard services, access to the Air Operations Area was monitored by card and palm readers linked to the Airport Access Control System (ACS). The Airport is contracting for unarmed security guard services to augment card and palm readers because recent Federal Aviation Administration assessments have found that U.S. airports need to improve their employee compliance with access control procedures. This is a temporary, interim measure until physical facility modifications are made.

(2) **How many City employees were laid off as a result of contracting out?**
None because this job was performed by card reader equipment linked to the ACS.

(3) **Explain the disposition of employees if they were not laid off.**
This is not applicable.

(4) **What percentage of City employees' time is spent on services to be contracted out?**
This is not applicable; this job was performed by card reader equipment linked to the ACS.

(5) **How long have the services been contracted out? Is this likely to be a one-time or an on-going request for contracting out?**
This will be the first time that these services will be contracted out. This is a one-time request for contracting out for a period not to exceed three years by which time we expect to have physical facility modifications.

(6) **What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?**
This will be the first fiscal year for a Proposition J certification.

(7) **How will the services meet the goals of your MBE/WBE Action Plan?**
These services will meet the goals of the Airport's MBE/WBE Action Plan by encouraging the prime vendor to subcontract with a certified MBE/WBE firm.

(8) **Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?**
No, the proposed contract doesn't require that the contractor provide health insurance for its employees. Upon selection of contractor, Airport staff will inquire whether the contractor provides health benefits for its employees.

(9) **Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?**
SFIA Operations will furnish this information upon contractor selection.

Department Representative: Ron Driscoll
Telephone Number: 650-794-3950

Item 8 - File 99-1700

Department: Airport

Item: Resolution authorizing a new International Terminal Bookstore and Café lease between Benjamin Books, Inc. and the City and County of San Francisco, acting by and through its Airport Commission

Location: New International Terminal of the Airport

Purpose of Lease: This new lease would provide concession space in the new International Terminal for (a) a bookstore to sell books, magazines, newspapers, and related items, and (b) a café to sell espresso drinks, coffee, tea, and pastries.

Lessor: City and County of San Francisco, acting by and through its Airport Commission

Lessee: Benjamin Books, Inc.

No. of Sq. Ft. and Cost Per Month: 1,795 square feet, located near the pre-security Boarding Area G in the new International Terminal

Term of Lease: The proposed concession lease would commence on June 26, 2000. The lease would be for a period of five years, terminating in 2005.

Annual Rent Payable by Benjamin Books to Airport: Beginning from the first year of the lease, and through the duration of the five-year lease period, the annual rent payable by Benjamin Books to the Airport is the greater of either the Minimum Annual Guarantee of $265,854, subject to the Consumer Price Index (CPI) annual adjustment, or a percentage of gross receipts, as follows:

Gross Receipts	Percentage of Annual Gross Bookstore/Café Receipts
Up to and including $1,000,000	10%
Over $1,000,000	12%

Utilities Provided by Lessor: The Lessee pays for the cost of utilities

Term of Lease: Five years

Right of Renewal: None

Tenant Improvements: According to Ms. Gigi Ricasa of the Airport, Benjamin Books would be required to invest a minimum of $269,250, based on $150 per square foot, to renovate the subject leased space. Ms. Ricasa states that the tenant improvements would begin in early 2000.

Description: On June 1, 1999, the Airport Commission authorized the Airport to accept qualifications, proposals, and bids for the new International Terminal Bookstore/Café lease (Resolution No. 99-0178). Subsequently, on August 17, 1999, the Airport Commission adopted a resolution (Resolution No. 99-0273) awarding the lease to Benjamin Books, Inc.

Under the proposed lease, Benjamin Books would operate a bookstore at the stated location to sell paperback and hardcover books in fiction and non-fiction, a complete supply of local daily newspapers, major best-selling national periodicals and magazines, books on tape, and book accessories.

In addition, Benjamin Books would sublease 30 percent of the total square footage of the subject lease space, subject to Airport Commission approval, for a café, which would sell espresso drinks, coffee, tea, and pastries.

Comments:

1. According to Ms. Ricasa, the café would be operated by Ms. Loretta Whittle as a subtenant, as approved by the Airport Commission on August 17, 1999 (Resolution No. 99-0273). The terms of the lease provide that Benjamin Books, as the primary tenant, charge the subtenant a maximum rent of 10% of the café's gross revenues up to and including $1,000,000, and a maximum rent of 12% of the café's gross revenues above $1,000,000.

2. The Minimum Annual Guarantee of $265,854, is $65,854 more than the Airport's Minimum Required Annual

Guarantee of $200,000, which was the required Minimum Annual Guarantee bid amount contained in the Airport's Invitation to Bid. Attachment I, provided by the Airport, contains the basis for the calculation of the Minimum Required Annual Guarantee bid. Ms. Ricasa states that the basis of the $200,000 Minimum Required Annual Guarantee Bid, as set by the Airport, was determined by calculating 15 percent of the anticipated annual gross revenues of $800 per square foot for the leased amount of 1,795 square feet ($215,400). However, Ms. Ricasa states that the amount of $215,400 was reduced to $200,000, based on the minimum required annual guarantee which was acceptable to the prospective tenants who attended the pre-bid conference to discuss the major terms of the lease.

3. Attachment II, provided by the Airport, contains a list of the two firms which submitted bids and the amounts of their Minimum Annual Guarantee bids.

Recommendation: Approve the proposed resolution.

Attachment I
Page 1 of 2

San Francisco International Airport
GATEWAY TO THE PACIFIC

VIA FACSIMILE (415) 252-0461

MEMORANDUM

September 24, 1999

TO: Ms. Severin Campbell
Board of Supervisor's Office

FROM: Gigi Ricasa GR
Airport Commission
Concession Development and Management

SUBJECT: New International Terminal Bookstore/Café Lease

In response to your request to clarify the minimum bid amount set for the New International Terminal Bookstore/Café Lease ("**Lease**"), staff worked closely with consultants in developing the specifications for the concession program in the New International Terminal, including the minimum bid amounts. The minimum bid amounts represent the highest and responsive bidder's annual rent for the first year. It was determined that for the first year of each lease, the retail facilities will generate an average of $800 per square foot. The minimum bid amounts for each Lease were originally set at fifteen percent (15%) of the first year's anticipated gross revenues.

The original minimum bid amount for this Lease was $215,000. The overwhelming request from the bookstore industry was to lower the minimum. Their general consensus among the bookstore vendor industry was that the minimum bid was set too high, citing that the profit margins on books are low. Airport staff considered the industry's suggestion, determined its merit and lowered the minimum bid to $200,000.

The competitive process used for this Lease was the qualifications/ proposals and bid process, otherwise known as the "two-envelope" process. In the first-envelope level, interested parties must meet the minimum qualifications and their proposals must be deemed acceptable

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in order to advance to the second-envelope stage, which is the opening of all qualified bids.

There were two participants for this specific lease: Benjamin Books and Books, Inc. Both participants' bids advanced to the second-envelope stage, with Benjamin Books submitting the higher bid amount. (See Commission memo dated August 12, 1999 and resolution dated August 17, 1999.)

The Request for Qualifications/Proposal and Bid Documents states that interested parties must sublease thirty percent (30%) of the leased space to a Disadvantaged Business Enterprise ("**DBE**") for the sole purpose of operating a café. Benjamin Books, Inc. selected, and the Airport has approved, Loretta Whittle as its DBE subtenant.

Attached are copies of the resolutions and the Commission package, including signed and approved resolutions, relating to the bid process for this Lease.

Please let me know if I can be of further assistance.

Attachments

San Francisco International Airport

GATEWAY TO THE PACIFIC

Attachment II

Page 1 of 2

MEMORANDUM

August 12, 1999

TO: AIRPORT COMMISSION
Hon. Henry E. Berman, President
Hon. Larry Mazzola, Vice President
Hon. Michael Strunsky
Hon. Linda S. Crayton
Hon. Caryl Ito

FROM: Airport Director

SUBJECT: Award of the New International Terminal Bookstore/Café Lease

DIRECTOR'S RECOMMENDATION: ADOPT ACCOMPANYING RESOLUTION AWARDING THE NEW INTERNATIONAL TERMINAL BOOKSTORE/CAFÉ LEASE TO BENJAMIN BOOKS, INC., APPROVING LORETTA WHITTLE AS ITS SUBTENANT, AND DIRECTING THE COMMISSION SECRETARY TO SEEK APPROVAL FROM THE BOARD OF SUPERVISORS.

I am recommending adoption of the accompanying resolution awarding the New International Terminal Bookstore/Café Lease to Benjamin Books, Inc., a Minority Business Enterprise (MBE), approving Loretta Whittle, a Disadvantaged Business Enterprise (DBE) as its subtenant, and directing the Commission Secretary to seek approval from the Board of Supervisors.

Background

By Resolution No. 99-0178, adopted June 1, 1999, the Commission authorized staff to accept qualifications, proposals and bids for the New International Terminal Bookstore/Café Lease. The Lease comprises approximately 1,795 square feet of retail space. Tenant is required to sublease the café, which is thirty percent of the total square footage of the Premise, to a DBE. The minimum bid amount was $200,000 with a term of five years. On June 30, 1999, staff received submittals from:

1. Benjamin Books, Inc. (MBE)
2. Books Inc.

THIS PRINT COVERS CALENDAR ITEM NO. 11

A panel consisting of three members reviewed the submittals and deemed that both companies (and their subtenants) met the minimum qualifications and their proposals were acceptable.

On July 9, 1999, the bids from both companies were opened and the result is:

Company	Bid Amount
Benjamin Books, Inc	$265,854
Books Inc.	$205,500

Benjamin Books, Inc. tendered the highest bid with the amount of $265,854.

Benjamin Books, Inc. has been in operation at airports for 26 years, with bookstores in Atlanta, Boston, Dallas/Fort Worth, Denver, LaGuardia, Newark and Seattle. Benjamin Books, Inc. has expanded its operation to news and gifts stores under The Benjamin Company. Benjamin Books, Inc.'s chosen subtenant to operate the café is Loretta Whittle. Ms. Whittle currently has two cafés in downtown San Francisco, and she is also a sublessee of the current Food and Beverage Lease at the Airport.

Airport staff verified that Benjamin Books, Inc. satisfies the qualification requirements of this Lease and the Human Rights Commission has deemed that Benjamin Books, Inc. is in compliance with the Equal Benefits Ordinance under Chapter 12B of the Administrative Code. Further, the Human Rights Commission has approved its Employee Workforce Plan. Ms. Whittle has also been certified by the Airport M/WBE Opportunity Outreach Office as a DBE.

Recommendation

I recommend adoption of the accompanying resolution awarding the New International Terminal Bookstore/Café Lease to Benjamin Books, Inc., approving Loretta Whittle as its subtenant, and directing the Commission Secretary to seek approval from the Board of Supervisors.

John L. Martin
Airport Director

Prepared by: Bob Rhoades

Item 9 – File 99-1721

Department: Department of Public Health (DPH)

Item: Hearing to request release of reserves in the amount of $300,000 to be used to (a) provide enhanced mental health services to clients in acute diversion units and residential treatment facilities, and (b) increase the number of residential care beds for mentally ill clients transitioning from hospital and institutional settings into the community

Amount: $300,000

Source of Funds: General Fund monies added and reserved by the Board of Supervisors in the Fiscal Year 1999-2000 Department of Public Health budget.

Description: This request would release the previously reserved $300,000 in General Fund monies added to the FY 1999-2000 DPH budget by the Board of Supervisors for mental health programs which provide community-based treatment services to acutely ill mental health clients who would otherwise be hospitalized.

The $300,000 was appropriated for the purpose of opening a community-based Acute Diversion Unit (ADU)[1]. However, because the estimated costs of operating an ADU are approximately $975,000 annually, or $675,000 greater than the $300,000 allocated, the DPH is now requesting to use the subject reserved funds to:

(a) pay increased reimbursement rates to non-profit contractors which operate residential treatment and acute diversion programs to compensate the programs for the higher cost of treatment for acutely ill mental health clients, and

(b) pay for additional residential care beds for mentally ill clients transitioning from hospital and institutional settings.

---

[1] An ADU is a treatment facility that provides intensive treatment services to acutely ill mental health clients who would otherwise be hospitalized.

By using such funds to pay increased reimbursement rates to programs to provide treatment for acutely ill mental health clients and to pay for additional residential care beds, acutely ill mental health patients, who would otherwise be hospitalized or institutionalized, would receive treatment in community-based programs in facilities operated by non-profit contractors.

Budget:

A summary budget for the period of November 1, 1999 through June 30, 2000, for the requested $300,000 is as follows:

Increased reimbursement rates to residential treatment and acute diversion program providers	$200,000
Costs of 26 additional residential care beds at various residential home care facilities	100,000
Total	$300,000

As shown in the Attachment, provided by DPH to support this summary budget, the proposed reimbursement rates to providers would increase between $1.19 to $12.71 per unit of service depending on the type of service provided, resulting in a total cost of $200,000. Additionally, the increase of approximately 26 residential care beds would increase the number of beds from the current number of 467 beds to 493 beds, and would result in a total cost of $100,000.

Comments:

1. Ms. Anne Okubo of the DPH states that the existing rates which DPH pays to the non-profit contractors operating residential treatment and acute diversion programs do not fully cover the costs of treatment for acutely ill mental health clients. According to Ms. Okubo, the proposed increased reimbursement rates would more fully cover the costs of providing services to acutely ill clients.

3. The residential care beds differ from the treatment programs noted above, in that they provide room, board and care to mental health clients who are discharged from hospitals and institutions. Currently, DPH funds 467

residential home care beds for mental health and geriatric clients at a cost of $15.53 per bed per day or $5,668 ($15.53 times 365 days) per bed per year, totaling $2,646,956 (467 beds times $5,668) for 365 days. The requested $100,000 would be used to pay for approximately 6,439 additional residential care bed days. This would translate to approximately 26 additional beds from November 1, 1999, through June 30, 2000 (6,439 bed days divided by 241 days between November 1, 1999 through June 30, 2000). The 26 additional residential care beds would be funded at the same rate of $15.53 per bed per day, for a total of $97,311 (26 beds @ $15.53 per day times 241 days), rounded up to $100,000.

3. Ms. Okubo states that the request for $200,000 would be allocated to three non-profit agencies: Baker Places, Conard House, and Progress Foundation, selected by DPH through a Request for Proposal (RFP) process. These three non-profits operate residential treatment programs and Progress Foundation also operates four Acute Diversion Units. The request for $100,000 would be allocated to various residential home care facilities to fund an additional 26 beds.

Recommendation: Approve the proposed release of reserved funds.

Department of Public Health
Funds Held on Reserve
Acute Diversion for Mental Health

I. Residential Treatment Service Enhancements

	Base Rate	Enhanced Rate	Increase	Units of Service	Amount
Baker Places					
Robertson Place	$ 105.11	$ 109.16	$ 4.05	3,811	$ 15,435
Robertson Med	193.25	195.55	2.30	163	375
Robertson Day Treatment	87.15	90.83	3.68	2,700	9,936
Grove St. Crisis	210.45	219.54	9.09	3,263	29,661
Grove St. Med	201.18	202.37	1.19	288	343
Subtotal					55,749
Conard House					
Jackson St. Residential	$ 78.18	$ 80.72	$ 2.54	7,884	$ 20,025
CCOOP/Hotel - Outpt Svcs	94.26	98.09	3.83	1,741	6,668
Subtotal					26,693
Progress House					
La Posada	$ 229.72	$ 231.58	$ 1.86	3,255	$ 6,054
Shrader	241.19	253.90	12.71	2,344	29,792
Cortland	252.95	263.25	10.30	2,544	26,203
La Amistad	124.39	131.06	6.67	4,156	27,721
Progress House	141.22	149.71	8.49	3,273	27,788
Subtotal					117,558
Total Residential Treatment Enhancements					**$ 200,000**

II. Expansion of Residential Care Beds

Daily Rate	Units of Service	Amount
$ 15.53	6,439	$ 100,000

Total	**$ 300,000**

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Item 10 – File 99-1347

Department: Department of Human Services (DHS)

Item: Hearing to consider release of reserved funds in the amount of $1,300,000 to implement the proposed 100 bed Golden Gate Family Residence facility at 260 Golden Gate Avenue to provide temporary shelter to homeless families and homeless pregnant women.

Amount: $1,300,000

Source of Funds: General Fund monies reserved in the Fiscal Year 1999-2000 Department of Human Services budget. During the FY 1999-2000 budget hearings, the Finance and Labor Committee recommended and the full Board of Supervisors approved that $1,300,000 for a new family residence facility at 260 Golden Gate Avenue, included in the Mayor's recommended budget, be placed on reserve pending (a) a public hearing conducted by the Human Services Commission, in accordance with Proposition I, which requires public input when a new social service facility is proposed, and (b) the submission of additional budget details to the Finance and Labor Committee.

Description: The Department of Human Services (DHS) proposes to renovate the City-owned property at 260 Golden Gate Avenue, formerly occupied by the Fire Department for its administrative headquarters office space, to be used as a temporary family residence facility, containing 100 beds, for homeless families and homeless pregnant women. DHS proposes to enter into a contract with the Hamilton Family Center, a non-profit organization which currently operates the Hamilton Family Center shelter on Waller Street. The Hamilton Family Center would be awarded a contract, in the amount of $1,648,863, on a sole-source basis, for:

(a) oversight of the renovation of 260 Golden Gate Avenue for use as a temporary family residence facility, at an estimated cost of $1,263,350, and

(b) for facility operations costs, which include staff salaries, and related operating expenses, including

expenditures for equipment and supplies, for the period from April 1, 2000 through June 30, 2000, at an estimated cost of $385,513. The Hamilton Family Center would operate the proposed Golden Gate Family Residence facility to provide 100 beds to house approximately 35 families at a time. The residents of the family residence would stay at the facility for a period up to 90 days, with a possible extension for an additional 90 days, thereby serving approximately 120 homeless families annually.

Budget:

A summary budget for the family residence facility at 260 Golden Gate Avenue is as follows:

Renovation costs	$1,263,350
Family residence operation	385,513
Subtotal	$1,648,863

As shown above, the total proposed budget for the renovation and initial family residence costs in the amount of $1,648,863 exceeds the $1,300,000 in reserved funds by the amount of $348,863 (see Comment 1).

Attachment I to this report, provided by DHS, contains supporting budget details.

Comments:

1. According to Ms. Julie Brenman of DHS, total project costs for capital improvements to 260 Golden Gate Avenue and start-up and initial operating costs equal $1,648,863, or $348,863 more than the $1,300,000 placed on reserve in the FY 1999-2000 DHS budget. Ms. Brenman reports that the funding sources for the additional funds in the amount of $348,863 are as follows:

General fund monies carried forward from FY 1998-99 DHS budget	$200,000
Estimated contract savings from FY 1999-2000 DHS budget	148,863
Total	$348,863

Ms. Brenman states that funds carried forward from the FY 1998-99 DHS budget in the amount of $200,000 were earmarked for architectural fees and construction management fees but were not expended due to delays in

obtaining approval for use of 260 Golden Gate Avenue as a family residence. Ms. Brenman also states that DHS anticipates $143,863 in savings from contract costs budgeted in the FY 1999-2000 DHS budget, due to delayed start-up of new contracts.

2. According to Ms. Brenman, $1,300,000 of General Fund monies were reserved in the FY 1999-20000 DHS budget for the proposed family residence at 260 Golden Gate Avenue, in order that DHS could hold a public hearing regarding the proposed family residence facility as a way of receiving community input in compliance with Proposition I, approved by the voters in 1998. Ms. Brenman reports that the public hearing was conducted by the Human Services Commission on August 26, 1999.

3. Ms. Brenman states that on September 23, 1999, the Human Services Commission approved a contract to be awarded by DHS on a sole-source basis to Hamilton Family Center, in the amount of $1,648,863, to (a) oversee the renovation of 260 Golden Gate Avenue for use as a family residence facility, at an estimated cost of $1,263,350, and (b) operate a family residence facility at that site, at an estimated cost of $385,513 for the period from April 1, 2000 through June 30, 2000

(a) According to Ms. Brenman, Hamilton Family Center previously completed the construction of a new Transitional Housing Facility and therefore, possesses the appropriate experience and ability to manage the renovation project. According to DHS, Hamilton Family Center's prior experience, as noted, justified the award of $1,648,863 on a sole-source basis.

Under the contract with DHS, Hamilton Family Center would hire subcontractors to perform the renovation work at 260 Golden Gate Avenue, at an estimated cost of $1,263,350. Invitations to bid on the renovation work would be issued by Hamilton Family Center and subcontracts would be awarded by the Hamilton Family Center to the lowest bidders, in compliance with Human Rights Commission requirements. Ms. Brenman states that, although a preliminary budget is attached (see Attachment II), a detailed budget for the renovation work

is not available because precise specifications for the work have not yet been developed nor have bids been submitted.

According to Ms. Michelle Byrd of DHS, a contract for construction management services would be awarded by Hamilton Family Center to Mercy Charities, a non-profit affordable housing developer which partnered with Hamilton Family Center in the construction of the Transitional Housing Facility, as a subcontractor to Hamilton Family Center. Details of the proposed contract are not yet available.

According to Ms. Byrd, Hamilton Family Center would award a subcontract for architectural services, to an architecture firm to be determined, in the amount of approximately 8 to 10 percent of the estimated renovation costs of $1,263,350.

Ms. Brenman states that the preliminary estimated costs in the amount of $1,263,350 for the renovation project of 260 Golden Gate Avenue were developed by Asian Neighborhood Design (AND), a non-profit agency that provides housing development, architectural and planning services, and other resources for low-income community development projects, based on a preliminary walk-through of the premises. AND currently has a contract with the Mayor's Office of Housing to provide architectural services, and conducted the walk-through at 260 Golden Gate Avenue as part of that contract at a cost of $6,000. As noted above, precise specifications for the renovation work have not yet been developed and a detailed budget for the renovation work is not yet available.

Attachment II, provided by DHS, contains the preliminary estimated renovation costs in the amount of $1,263,350. However, as noted above, a more detailed budget is not yet available.

(b) The family residence operations budget in the amount of $385,513 provides for shelter staff salaries and operating expenses, purchase of necessary equipment and supplies, and costs to Hamilton Family Center for

Executive Director and Human Resource Administrator time, as follows:

Staff salaries and benefits	$212,229
Operating expenses	86,000
Equipment and supplies	37,000
Hamilton Family Center costs (Executive Director, Human Resource Administrator)	50,284
Total	$385,513

Attachment III contains additional details for the family residence operation costs.

6. According to Ms. Maggie Donahue of DHS, the Hamilton Family Center would hire a Program Director for the Golden Gate Family Residence in November of 1999, at a salary of $3,500 per month or $28,000 for the 8 month period between November 1, 1999 through June 30, 2000, to oversee development of the program. Staff hiring and training would begin April 1, 2000 with a planned opening date for the shelter of May 1, 2000.

Ms. Byrd states that projected full-year costs for FY 2000-01 for the operation of the family shelter at 260 Golden Gate Avenue would be $1,193,079, with anticipated funding to come from the General Fund.

7. According of Ms. Byrd, DHS originally proposed to award a contract to Hamilton Family Center to oversee the renovation of 260 Golden Gate Avenue rather than use the Department of Public Works (DPW), because, based on past experience, costs to DHS of using DPW have been significantly higher than the cost of using an outside contractor. However, Ms. Byrd did not request DPW to submit a proposal for DPW costs for the renovation work to be compared with the Hamilton Family Center costs. Ms. Byrd states that DHS has previously awarded similar contracts to non-profit agencies to renovate facilities in which a social service program would be operated. According to Ms. Byrd, this contract differs from prior DHS contracts with non-profit agencies in that the facility is City-owned property.

However, legal issues have been raised by the City Attorney's Office concerning the proposed use of a non-City entity, namely the Hamilton Family Center, to oversee renovation of City-owned property. As discussed further in Comment 9, according to Ms. Virginia Elizondo of the City Attorney's Office, DPW and DHS have agreed to work together to facilitate the construction contracting process.

8. According to Mr. Matthew Hymel, the Mayor's Director of Finance, the use of the facility at 260 Golden Gate Avenue as a family residence was recommended in the Mayor's proposed FY 1999-2000 budget because the proposed family residence represents a higher priority than other potential uses of the City-owned facility at 260 Golden Gate Avenue, which was formerly used as office space by the Fire Department. Other potential uses could be, for example, the consolidation of City office space now located in various leased facilities. Ms. Brenman states that 35 family residence beds have been lost since 1999 due to the closure of the Catholic Charities family shelter and another 50 family residence beds may be eliminated in January of 2000 due to the possible closure of the emergency family shelter located on Waller Street. The Budget Analyst believes that the proposed use of space is a policy matter for the Board of Supervisors.

9. Subsequent to the Budget Analyst providing DHS with a draft version of the Budget Analyst's report, the DHS advised the Budget Analyst that the DHS has modified its original budget proposal to award Hamilton Family Center a contract in the amount of $1,648,863. DHS now proposes to contract with Hamilton Family Center in the amount of $385,513 for operation of the proposed family residence at 260 Golden Gate Avenue but not contract with Hamilton Family Center for the renovation work. According to Ms. Brenman, the DPW Bureau of Architecture has agreed to work with DHS to develop specifications for the proposed renovation on a work-order basis, for an estimated cost of $200,000. Therefore, Ms. Brenman states that DHS has amended this request for the release of reserved funds, to release $236,650, including $200,000 for DPW architectural services and $36,650 for family residence operation costs and to retain

$1,063,350 in reserve pending submission of budget details for the renovation work ($1,300,000 less $236,650). Attachment IV includes memoranda provided by DHS and the DPW Bureau of Architecture pertaining to this amended request.

Recommendations:

1. In accordance with Comment No. 9 above, reduce the amount of reserved funds to be released by $1,063,350 from $1,300,000 to $236,650.

2. Continue to reserve $1,063,350.

3. Approval of the requested release of reserved funds, as amended, is a policy matter for the Board of Supervisors, since, as previously noted in Comment No. 8, the City could consider alternative uses for the existing office space at 260 Golden Gate Avenue, such as the consolidation of City office space now located in various leased facilities.

Attachment I

Appendix B, Page
Document Date:

DEPARTMENT OF HUMAN SERVICES CONTRACT BUDGET SUMMARY BY PROGRAM

Contractor's Name	Contract Term
HAMILTON FAMILY CENTER	October 1, 1999 to June 30, 2000

(Check One) New ____ Renewal ____ Modification ____

If modification, Effective Date of Mod. No. of Mod.

Program: 260 Golden Gate Shelter	Start-up Period	Shelter Operation		Total
Budget Reference Page No.(s)				
Program Term	10/1/99 - 3/31/00	4/1/00 - 6/30/00		10/1/99 - 6/30/00
Expenditures				
Salaries & Benefits		$212,229		$212,229
Operating Expense		$86,000		$86,000
Capital Expenditure	$1,263,350	$37,000		$1,300,350
Subtotal	$1,263,350	$335,229		$1,598,579
Indirect Cost		$50,284		$50,284
Indirect Percentage (%) of direct cost (Line 16)		15%		
Total Expenditures	$1,263,350	$385,513		$1,648,863
DHS Revenues				
General Fund	$1,263,350	$385,513		$1,648,863
TOTAL DHS REVENUES	$1,263,350	$385,513		$1,648,863
Other Revenues				
Total Revenues				
Full Time Equivalent (FTE)				

Prepared by: Telephone No.: Date

DHS-CO Review Signature: ____________________

DHS #1 3/18/99

Appendix B, Page
Document Date:

Program Name:
(Same as Line 9 on DHS #1)

Capital Expenditure Detail
(Equipment and Remodeling Cost)

		Start-up	Shelter Oper		TOTAL
EQUIPMENT	TERM	10/1/99-3/31/00	4/1/00-6/30/00		10/99-6/00
No.	ITEM/DESCRIPTION				
TOTAL EQUIPMENT COST					
REMODELING					
Demolition		30,000			30,000
Architectural services		200,000			200,000
North and South exit stairs		30,000			30,000
New partitions		20,000			20,000
Window replacement		55,000			55,000
Finishes		120,000			120,000
Plumbing		120,000			120,000
Electrical upgrade		120,000			120,000
Roof Deck fence		25,000			25,000
Mechanical System upgrades		85,000			85,000
Elevator modernization		35,000			35,000
Fire Alarm system		45,000			45,000
Fire Sprinkler system		80,000			80,000
SUB-TOTAL		**965,000**			**965,000**
General conditions (9%)		68,850			68,850
Overhead		114,750			114,750
Construction Contingency		114,750			114,750
TOTAL REMODELING COST		1,263,350			1,263,350
TOTAL CAPITAL EXPENDITURE		1,263,350			1,263,350
(Equipment and Remodeling Cost)					

DHS #4 3/18/99

Program Name:
(Same as Line 9 on DHS #1)

Salaries & Benefits Detail

TERM	Start-up period 10/1/99-3/31/00		Operations 4/1/00 - 6/30/00				10/199-6/30/00
POSITION TITLE	FTE	SALARIES	FTE	SALARIES	FTE	SALARIES	TOTAL
Program Director *			1.00	$31,500			$31,500
Administrative Assistant			1.00	$6,500			$6,500
Receptionist/Security			3.00	$13,958			$13,958
Case Management Coordinator			1.00	$9,000			$9,000
Family Case Manager			3.00	$17,708			$17,708
Clinical Social Worker			1.00	$7,292			$7,292
Chidren's Program Coordinator			1.00	$7,250			$7,250
Chidren's Program Assistant			3.00	$11,000			$11,000
Cook			1.50	$8,000			$8,000
Maintenance/Janitor			1.00	$5,500			$5,500
Shelter Coordinator			1.00	$7,500			$7,500
Lead Counselor			3.00	$17,250			$17,250
Counselor			9.00	$31,500			$31,500
TOTALS			29.50	$173,958			$173,958
EMPLOYEE FRINGE BENEFITS			22%	$38,271			$38,271
TOTAL SALARIES & BENEFITS				$212,229			$212,229

DHS #2 3/18/99

* The Program Director position is budgeted from October 1, 1999 through June 30, 2000.

DHS #3

Attachment III
Page 2 of 4

Program Name: Golden Gate Family Resicence
(Same as Line 9 on DHS #1)

OPERATING BUDGET

Expenditure Category	START-UP PERIOD TERM 10/1/99 - 6/30/00	SHELTER OPERATIONS 4/1/00 - 6/30/00	TOTAL 10/1/99 6/30/00
Scavenger Services		$7,000	$7,000
Advertising/Hiring		$3,000	$3,000
Computer Consultant		$2,000	$2,000
Kitchen Supplies		$5,000	$5,000
Program Food		$10,000	$10,000
Office Supplies		$3,000	$3,000
Site Supplies		$3,000	$3,000
Equipment Rental		$2,000	$2,000
Computer Equipment		$0	$0
Telephone		$3,500	$3,500
Postage and Delivery		$500	$500
Utilities		$20,000	$20,000
Janitorial Supplies		$4,000	$4,000
Building Maintenance		$5,000	$5,000
Elevator Maintenance		$3,000	$3,000
Emergency Repairs		$3,000	$3,000
Fees/Permits		$1,000	$1,000
Local Travel/Miles		$500	$500
Conferences		$500	$500
Staff Training		$3,000	$3,000
Dues & Subscriptions		$500	$500
Insurance/Liability		$5,000	$5,000
Equipment Maintenance		$500	$500
Family Activities		$1,000	$1,000
			$0
Total	$0	$86,000	$86,000

Program Name:
(Same as Line 9 on DHS #1)

Capital Expenditure Detail
(Equipment and Remodeling Cost)

		Start-up	Shelter Oper		TOTAL
EQUIPMENT	TERM	10/1/99-3/31/00	4/1/00-6/30/00		10/99-6/00
No.	ITEM/DESCRIPTION				
10	Computers @ 850		$8,500		8500
	Network Equipment including printers		$1,500		1500
1	Server		$2,000		2000
Telephone System			$12,000		12,000
Security Systems			$10,000		10,000
Computer lab set up			$3,000		3,000
TOTAL EQUIPMENT COST			**$37,000**		**37000**

Program Name:
(Same as Line 9 on DHS #1)

Indirect Cost Detail

1. Salaries and Benefits

TERM	renovation-Start-up 10/1/99 - 3/31/00		Shelter Operations 4/1/00--6/30/00				10/1/99-6/30/00
Position Title	FTE	SALARIES	FTE	SALARIES	FTE	SALARIES	TOTAL
Executive Director			0.45	$26,000			$26,000
Human Resource Administrator			0.40	$11,000			$11,000
EMPLOYEE FRINGE BENEFITS				$9,948			$9,948
TOTAL SALARIES & BENEFITS				$46,948			$46,948

2. Operating Cost

Expenditure Category							
Audit expenses				$2,336			$2,336
vehicle maintenance				$1,000			$1,000
TOTAL OPERATING COST				$3,336			$3,336
TOTAL INDIRECT COST (Salaries & Benefits + Operating Cost)				$50,284			$50,284

DHS# 5 3/18/99

City and County of San Francisco Department of Human Service

MEMORANDUM

September 24, 1999

TO: Severin Campbell
Budget Analyst

FROM: Julie Brenman JLB
Director, Budget and Planning

RE: Revised 260 Golden Gate Renovation Plans

As you know, we have awarded a contract to Hamilton Family Center to operate our planned family shelter at 260 Golden Gate. We initially intended to have Hamilton oversee the renovation of the building prior to operation. It has come to our attention that, because 260 Golden Gate is a city-owned building, it is more appropriate for the Department of Public Works to oversee the renovation of the building. As such, we plan to only award Hamilton the contract for the operations of the shelter and we will work order the construction funds to DPW's Bureau of Architecture.

The contract with Hamilton has not yet been executed; therefore, it will not be problematic to change the contract amounts at this time. We will execute the contract in the amount of $385,513, which covers the operating costs of the contract. The balance of the funds ($1,263,350) will be used to cover renovation costs at the facility. I have spoken to Tara Lamont from DPW's Bureau of Architecture and she has agreed to perform these services for DHS. She believes that $200,000 should be adequate for preliminary architectural and engineering work.

At this point, we need the operating funds for the shelter ($385,513) and funds so DPW can begin architectural drawings ($200,000), totaling $585,513. We have $348,863 in unreserved funds budgeted for this project, therefore we need $236,650 of the $1.3 million reserve lifted at this time. After we have bids on the actual renovation of the facility, we will return to the Finance Committee to request that additional needed funds be allocated to the project.

Please call me if you have any questions.

(415) 557-5000 P.O. Box 7988 San Francisco, California 941

City and County of San Francisco

Willie Lewis Brown, Jr., Mayor
Mark A. Primeau, Architect, AIA, Director

(415) 557-4700
FAX (415) 557-4701
http://www.sfdpw.com

Department of Public Works
Bureau of Architecture
30 Van Ness Avenue, Suite 4100
San Francisco, CA 94102-6020

Tara D. Lamont, AIA, Bureau Manager

MEMORANDUM

TO:	Mr. Harvey Rose	DATE:	September 24, 1999
FROM:	Tara Lamont, Bureau Manager Bureau of Architecture		
SUBJECT:	**Renovation of 260 Golden Gate**		

This memorandum is to confirm that the Bureau of Architecture (BOA) will provide project management and architectural design services to oversee the renovation of 260 Golden Gate. The building is to be converted from office space to a 100 bed family shelter operated by Hamilton.

BOA will work with the Department of Human Services and their contractor Hamilton to develop a program and plan for the facility. Design development and construction documents will be developed from this information. After bids are received, the construction cost will be provided to your office.

Tara Lamont

Post-It™ brand fax transmittal memo 7671 | # of pages ▸ 1

To Severin Campbell	From Tara Lamont
Co. Budget Analyst	Co. BOA
Dept.	Phone # 557.4664
Fax # 252.0461	Fax # 557.4701

Cc: Mr. Harlan L. Kelly Jr., City Engineer

Item 11 – File 99-1723

Department: Mayor's Office
San Francisco Unified School District (SFUSD)

Item: Ordinance appropriating $657,000 from the General Fund Reserve for the San Francisco Unified School District to provide arts programs in the public schools.

Amount: $657,000

Source of Funds: General Fund Reserve

Description: This ordinance would appropriate $657,000 from the General Fund Reserve to fund a one-time continuation of the Elementary Arts Education Program in the San Francisco Unified School District (SFUSD) during FY 1999-2000.

Ms. Sally Ann Ryan of the SFUSD advises that the Elementary Arts Education Program funds four major activities: (a) artists-in-residence in elementary school classrooms; (b) elementary school field trips to local artists, presenters, museums, concerts, and cultural centers; (c) supplies for elementary school arts programs; and (d) on-site professional development in the arts for elementary school teachers.

Budget: The proposed budget for FY 1999-2000 is summarized as follows:

Expenditure Item	Amount
Elementary Arts Education Program proposed budgets for 76 individual elementary schools	$591,935
Program evaluation consultant	30,000
Supplies and newsletter	10,000
Contingency	25,065
TOTAL	$657,000

Attachment I, provided by Ms. Ryan, contains the proposed budget of $591,935 for the Elementary Arts Education Program broken down by each of the 76 SFUSD elementary schools at a funding level of $20.92 for each of the SFUSD's 28,295 students.

Comments:

1. The memorandum prepared by Mr. Enrique Navas, Chief Financial Officer of the SFUSD (Attachment II) explains why the SFUSD is unable to fund the Elementary Arts Education Program in the amount of $657,000 from within its own budget in FY 1999-2000. Mr. Navas states that "The District was not able to identify on-going or one-time revenue to support this valuable program." The subject ordinance would appropriate $657,000 from the General Fund Reserve for the continuation of the SFUSD's Elementary Arts Education Program during FY 1999-2000. Ms. Ryan advises that the SFUSD plans to continue funding the Elementary Arts Education Program in FY 2000-2001 from anticipated new State monies. In FY 1998-99, Mr. Navas advises that the SFUSD expended $657,000 on the Elementary Arts Education Program, the same amount as this subject request of $657,000 in FY 1999-2000.

2. According to Mr. Enrique Palacios of the SFUSD, the $657,000 for arts funding in FY 1998-99 was funded from within the SFUSD's budgeted appropriations. According to Ms. Ryan, the figure of $657,000 was the equivalent of the salaries and benefits for 16 visual arts teachers at an annual salary cost of $41,063. Ms. Ryan advises that the Board of Education chose this level of funding because it made SFUSD arts funding comparable to SFUSD funding for its music program which employs 16 music teachers.

3. The Budget Analyst notes in Attachment I, provided by the SFUSD, that the SFUSD's proposed FY 1999-2000 budget of $657,000 is allocated as follows: (a) approximately 90.1 percent, or $591,935, is allocated to the proposed Elementary Arts Education Program budgets for the 76 SFUSD elementary schools; and (b) approximately 9.9 percent, or $65,065, is allocated to SFUSD operating costs.

By contrast, the SFUSD budget for the Elementary Arts Education Program for FY 1998-99, also in the amount of $657,000, was allocated as follows: (a) approximately 97.34 percent, or $639,498, was allocated to the proposed Elementary Arts Education Program budgets for the 76 SFUSD elementary schools; and (b) only 2.66 percent, or $17,502, was allocated to operating costs.

Mr. Palacios advises that the approximately 272 percent increase in operating costs between FY 1998-99 and FY 1999-2000 is due to the allocation of (a) $30,000 for a program evaluation consultant, and (b) $25,065 for program contingencies in FY 1999-2000.

4. Mr. Palacios stated that the proposed budget of $30,000 for a program evaluation consultant would be used to fund a contract with a program evaluator who would evaluate the Elementary Arts Education Program on a school-by-school basis. This contract would be awarded on the basis of professional expertise and relevant knowledge, according to Mr. Palacios.

5. Mr. Palacios states that the proposed contingency budget of $25,065 is to provide for (a) additional allocations of Elementary Arts Education Program funds to elementary schools should such schools experience greater than estimated enrollments, and (b) arts program changes at individual schools. With regard to the SFUSD's actual elementary school enrollment figures, Mr. Palacios advises that these will be initially determined in October of 1999 and then reviewed again in March of 2000. Mr. Palacios advises that some contingency funds would be retained until the March of 2000 enrollment count, so that elementary schools which experience an enrollment increase between October of 1999 and March of 2000 could receive additional Elementary Arts Education Program funding.

6. According to Ms. Ryan, each of the 76 elementary schools that would receive Elementary Arts Education Program funding in FY 1999-2000 would be required to complete a program approval process. As the available funding is divided between the elementary schools on a per student basis, based on $20.92 per student, Ms. Ryan

advises that the final Elementary Arts Education Program funding received by each elementary school would depend on that school's actual enrollment figures. As noted above, these actual enrollment figures will be determined in October of 1999 and March of 2000. Once the actual elementary schools' enrollment figures are finalized in October of 1999 and the schools have met the requirements of the program approval process, such schools would then begin expending their Elementary Arts Education Program budgets.

7. Subsequent to the Budget Analyst providing SFUSD with a draft version of the Budget Analyst's report, the SFUSD advised the Budget Analyst that the SFUSD has modified its original budget proposal to eliminate the proposed program evaluation consultant in the amount of $30,000. Mr. Palacios advises that the $30,000 would now be added to the $591,935 in Elementary Arts Education Program funding which would be allocated to the 76 SFUSD elementary schools, thereby increasing that funding to $621,935, or approximately $21.98 per student, from the prior allocation of $20.92 per student. Attachment III, provided by SFUSD, contains the revised budget of $621,935 for the Elementary Arts Education Program broken down by each of the 76 elementary schools. Mr. Palacios states that the $30,000 in program evaluation costs would now be handled by existing SFUSD staff instead of SFUSD requesting an additional $30,000 from the Board of Supervisors.

8. This ordinance does not provide for any reporting requirements to the Board of Supervisors pertaining to the requested expenditure of $657,000.

Recommendations:

1. In accordance with Comment No. 8 above, amend the proposed ordinance to require that a report be submitted by the SFUSD to the Board of Supervisors on or before August 31, 2000 pertaining to the actual results of the subject requested Elementary Arts Education Program expenditures of $657,000.

2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BUDGET OPERATIONS OFFICE

PROPOSED BUDGET
FOR THE ELEMENTARY ARTS PROGRAM

SCHOOL	** ENROLLMENT AS OF 9/20/99*	*SCHOOL YEAR 199-2000 PROPOSED BUDGET*	
ALAMO	693	$	14,498.00
ALVARADO	466	$	9,749.00
ARGONNE	402	$	8,410.00
CARMICHAEL, BESSIE	391	$	8,180.00
HARTE, BRET	434	$	9,079.00
BRYANT	243	$	5,084.00
BUENA VISTA	362	$	7,573.00
CABRILLO	318	$	6,653.00
CHINESE ED. CT.	53	$	1,109.00
CLARENDON	587	$	12,280.00
LILIENTHAL, CLAIRE (k-5)	452	$	9,456.00
CLEVELAND	367	$	7,678.00
YU, ALICE FONG (k-5)	303	$	6,339.00
SLOAT, COMM.	364	$	7,615.00
LAU, GORDON J.	677	$	14,163.00
S. F. COMMUNITY (k-5)	215	$	4,498.00
WEBSTER, DANIEL	439	$	9,184.00
MILK, HARVEY	242	$	5,063.00
DREW, CHARLES	291	$	6,088.00
DE AVILA, WILLIAM	291	$	6,088.00
TAYLOR, E. R.	690	$	14,435.00
EL DORADO	333	$	6,966.00
COBB, WILLIAM	244	$	5,104.00
FAIRMOUNT	356	$	7,448.00
FILIPINO ED. CT.	54	$	1,130.00
KEY, F. S.	509	$	10,648.00
Mc COPPIN, FRANK	345	$	7,217.00
GARFIELD	239	$	5,000.00
PEABODY, GEORGE	238	$	4,979.00
GLEN PARK	323	$	6,757.00
GOLDEN GATE	327	$	6,841.00
GRATTAN	316	$	6,611.00
GUADALUPE	417	$	8,724.00
CHAVEZ, CESAR	506	$	10,586.00
HILLCREST	511	$	10,690.00
CARVER, GEORGE W.	382	$	7,991.00
PARKER, JEAN	366	$	7,657.00
JEFFERSON	516	$	10,795.00
MUIR, JOHN	313	$	6,548.00
SWETT, JOHN	336	$	7,029.00
SERRA, JUNIPERO	286	$	5,983.00
LAFAYETTE	487	$	10,188.00
LAKESHORE	576	$	12,050.00
LAWTON (k-5)	390	$	8,159.00
FLYNN, L. R.	491	$	10,272.00
LONGFELLOW	575	$	12,029.00

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BUDGET OPERATIONS OFFICE

PROPOSED BUDGET
FOR THE ELEMENTARY ARTS PROGRAM

SCHOOL	** ENROLLMENT AS OF 9/20/99*		*SCHOOL YEAR 199-2000 PROPOSED BUDGET*
MARSHALL	271	$	5,669.00
McKINLEY	258	$	5,397.00
MIRALOMA	325	$	6,799.00
MOSCONE, GEORGE	355	$	7,427.00
MISSION ED. CT.	139	$	2,908.00
MONROE	454	$	9,498.00
NEW TRADITIONS	194	$	4,058.00
ORTEGA, JOSE	417	$	8,724.00
SUNSET	233	$	4,874.00
REVERE, PAUL	557	$	11,652.00
STEVENSON, R. L.	480	$	10,042.00
PARKS, ROSA	346	$	7,238.00
REDDING	360	$	7,531.00
ROOFTOP (k-5)	381	$	7,971.00
WO, YICK	248	$	5,188.00
SANCHEZ	391	$	8,180.00
SHERIDAN	366	$	7,657.00
SHERMAN	458	$	9,581.00
MALCOLM X ACA.	413	$	8,640.00
SPRING VALLEY	410	$	8,577.00
KING, STARR	357	$	7,468.00
SUNNYSIDE	330	$	6,904.00
SUTRO	283	$	5,920.00
TREASURE ISLAND (k-5)	379	$	7,929.00
TWENTY FIRST CENT. (k-5)	209	$	4,372.00
TENDERLOIN COMMUNITY	215	$	4,498.00
ULLOA	511	$	10,690.00
VIS. VALLEY	458	$	9,581.00
CHIN, JOHN YEHALL	235	$	4,916.00
WEST PORTAL	546	$	11,422.00
SCHOOL SITES	28,295	$	591,935.00
CONSULTANT		$	30,000.00
SUPPLIES AND NEWSLETTER		$	10,000.00
EMERGENCIES		$	25,065.00
OPERATING COST:		$	65,065.00
TOTAL PROGRAM COST:		$	657,000.00

*SOURCE: SFUSD DATABASE

Attachment II

SFUSD

Enrique D. Navas
Chief Financial Officer
Ph. (415) 241-6542 • FAX # 241-6482
enavas@muse.sfusd.edu

SAN FRANCISCO UNIFIED SCHOOL DISTRICT 555 Franklin Street - 3rd Floor - San Francisco, CA 94102-5299

September 24, 1999

MEMORANDUM

TO: Alan Gibson
Budget Analyst Office

FROM: Enrique D. Navas

SUBJECT: FINANCE AND LABOR COMMITTEE, 09/29/99, ITEM 11 FILE 99-1723

The following is the District's response to your inquiry:

(a.) The District does not receive dedicated funding from the State to support this enhanced arts program. In the last two fiscal years the District was able to identify one-time revenues to support the program. However, in the last few years the allocation of unrestricted dollars from the State has been minimal while at the same time there has been a sharp increase in categorical funding. This trend has caused districts throughout the state, including SFUSD, to barely keep up with the costs associated with unfunded federal, state and local mandates, collective bargaining, utility and other operating costs. The District was not able to identify on-going or one-time revenue to support this valuable program.

(b.) As required by the State, the District maintains a 2% appropriation for contingencies. The District has complied with this requirement last fiscal year and projects to maintain such a reserve for the current fiscal year. The amount set aside in the FY 99-00 is $7.8 million.

Post-it® Fax Note 7671 | Date 9/24/99 | # of pages ▶ 2
To Alan Gibson | From Rudy Avalos
Co./Dept. Mayor's office | Co. As requested by E. Polizzi
Phone # | Phone # SFUSD 241-6187
Fax # 252-0461 | Fax # 241-6028

9/24/99, 11:35 AM

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BUDGET OPERATIONS OFFICE

PROPOSED BUDGET
FOR THE ELEMENTARY ARTS PROGRAM

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LAWTON (k-5)	390	$	8,572.00
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LONGFELLOW	575	$	12,639.00

9/24/99, 11:38 AM

SAN FRANCISCO UNIFIED SCHOOL DISTRICT
BUDGET OPERATIONS OFFICE

PROPOSED BUDGET
FOR THE ELEMENTARY ARTS PROGRAM

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VIS. VALLEY	458	$	10,067.00
CHIN, JOHN YEHALL	235	$	5,165.00
WEST PORTAL	546	$	12,001.00
SCHOOL SITES	28,295	$	621,924.00
SUPPLIES AND NEWSLETTER		$	10,000.00
EMERGENCIES		$	25,076.00
OPERATING COST:		$	35,076.00
TOTAL PROGRAM COST:		$	657,000.00

254
1/99

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, October 06, 1999 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 10:00 a.m.

991573 **[Appropriation of Bond funds for construction projects at the Community College District]**

Ordinance appropriating $20,460,150, San Francisco Community College District, of Educational Facility Bond proceeds for the acquisition and construction of educational facilities (buildings, structures and improvements) for fiscal year 1999-2000. (Controller)

(Fiscal impact.)

8/11/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

9/22/99, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Dr. Phillip Day, Chancellor, City College of San Francisco; Ted Lakey, Deputy City Attorney; Supervisor Yee; Supervisor Ammiano. Oppose: Anastasia Yovanopoulos.

9/22/99, CONTINUED. Continued as amended to October 6, 1999.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Laura Bordelon, Mayor's Office of Public Finance; Ed Harrington, Controller; Phillip Day, Chancellor, City College of San Francisco; Supervisor Ammiano; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991737 **[Maximum Loan Amount, Nonprofit Performing Arts Organization]**

Supervisors Ammiano, Bierman, Yee

Ordinance amending Administrative Code Section 50.22 to increase the maximum amount of a loan that may be made to a non-profit performing arts organization from $150,000 to $200,000.

(Amends Section 50.22.)

9/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Joe LaTorre, Mayor's Office of Housing; Supervisor Bierman. In Support: Tony Kelly, Potrero Hill Boosters; Ron Miguel. Supervisor Yee added as cosponsor.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991828 **[Government Funding, Gift to City of Taipei to fund earthquake relief efforts]**

Supervisors Teng, Yaki, Kaufman, Bierman, Becerril

Ordinance appropriating $200,000 from the General Fund Reserve for an emergency gift to the City of Taipei to fund earthquake relief efforts, through the Office of the Mayor, for fiscal year 1999-2000.

9/27/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Supervisor Teng, Victor Tseng, Director General, Taipei's Economic and Cultural Office; Elizabeth Liu, CoChair, S F./Taipei Sister City, Supervisor Yee; Supervisor Ammiano; Ted Lakey; Deputy City Attorney. Amended to add $50,000 to be used for children's services. Continued to October 13, 1999

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Ordinance appropriating $250,000 from the General Fund Reserve for an emergency gift to the City of Taipei to fund earthquake relief efforts, including $200,000 in unrestricted funding and $50,000 in funding for children's services, through the Office of the Mayor, for fiscal year 1999-2000.

CONTINUED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991711 **[Renewal and extension of existing seven (7) leases of real property all located in San Francisco for DPH effective July 1, 1999]**

Resolution authorizing retro-active extension and renewal of certain existing leases of real property required by the Department of Public Health. (Real Estate Department)

9/10/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Harry Quinn, Real Estate Department. Amended to correct rental rate for lease no. 1 from $2900 to $3250 per month.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991712 **[Amendment(s) to the architectural and engineering agreement for the Moscone Center Expansion Project]**

Resolution authorizing the Director of Administrative Services to execute amendment(s) to design agreement increasing the agreement sum from $9,526,326.38 to $14,026,326.38. (City Administrator)

(Fiscal impact.)

9/10/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Leonard Tom, Director of Finance, Moscone Center Expansion Project.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991720 **[Authorizing Airport Commission to purchase 13 noise insulations (for 9 dwellings and 4 churches) not to exceed $220,472, in conformity with San Mateo's master planning process of noise reduction]**

Resolution authorizing the acquisition of thirteen (13) noise easements for properties in unincorporated San Mateo County as part of the County of San Mateo's Aircraft Noise Insulation Program. (Real Estate Department)

9/13/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Harry Quinn, Real Estate Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991752 **[Reserved Funds, Port Commission]**

Hearing to consider release of reserved funds, Port Commission (San Francisco Harbor Operating Fund Loan, Ordinance No. 40-98), in the amount of $260,000 to fund the Hyde Street Fishing Harbor project to be performed by the Contractor, Dutra Dredging Company. (Port)

9/15/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Nieret Mizushima, Project Manager, Port of S.F.; Supervisor Yee.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991761 **[Permitting non-City workers to perform work for the City because non-City workers can perform the work at a lesser cost than City employees - Intake and shelter services to status offenders]**

Resolution concurring with the Controller's certification that intake and shelter services to status offenders can be practically performed by private contractor for lower cost than similar work services performed by City and County employees; retroactive to July 1, 1999. (Juvenile Probation Department)

9/22/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Lonnie Holmes, Juvenile Probation Department.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991481 **[Parking Collection System Contract]**

Supervisor Yee

Hearing to consider the City's parking collection system contract with PRWT Services, Inc.

7/26/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Stuart Sunshine, Director, Department of Parking and Traffic; Raymond Solino, President, PRWT Services, Inc.; Supervisor Yee; Supervisor Ammiano; Supervisor Bierman; Mathew Hymel, Mayor's Budget Office; Supervisor Newsom; Supervisor Teng. Opposed: Sharon Bread; Jake M.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

990652 **[Paramedic Services]**

Supervisors Yee, Newsom

Hearing to consider the cost of transferring paramedic services from the Health Department to the Fire Department.

4/5/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 12:05 p.m.

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 1, 1999

54
9
File 99-1481

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: October 6, 1999 Finance and Labor Committee Meeting

Item 1 – File 99-1573

Note: This item was continued by the Finance and Labor Committee at its meeting of September 22, 1999.

Department: San Francisco Community College District (SFCCD)

Item: Ordinance appropriating $20,460,150 of General Obligation Bonds (Educational Facility Bonds, 1997 - SFCCD) Series 1999A proceeds for the acquisition, construction, and upgrading of educational facilities at the San Francisco Community College District, costs of issuance, and debt service for fiscal year 1999-2000.

Amount: $20,460,150

Source of Funds: General Obligation Bonds (Educational Facility Bonds, 1997 – SFCCD) Series 1999A, hereafter referred to as "Educational Facility Bonds, Series 1999A".

Description: On June 3, 1997, a total of $50,000,000 in General Obligation Bonds for the acquisition, construction, and/or reconstruction of SFCCD educational facilities was approved by the electorate. Educational Facility Bonds, Series 1999A were issued on June 16, 1999 to fund the acquisition, construction and/or reconstruction of educational facilities for the SFCCD. According to Ms.

Laura Opsahl-Bordelon of the Mayor's Office of Public Finance and Economic Development, the total Bond proceeds for Educational Facility Bonds, Series 1999A are in the amount of $20,460,150.

The subject supplemental appropriation would appropriate $20,460,150 in bond proceeds for the following: (a) $9,095,793 for the acquisition of land to be used for campuses for the SFCCD in Chinatown and the Mission District; (b) $2,745,715 for health and safety upgrades; (c) $250,457 for disability access improvements; (d) $2,003,834 for renovation projects; (e) $5,967,427 for technology, network, and electrical upgrades; (f) $250,000 for childcare facilities; (g) $79,211 for bond issuance costs; and (h) $67,713 for debt service costs (accrued interest payments and a portion of the underwriter's premium).

Budget: The budget is summarized as follows:

Purpose of Appropriation	Incurred as of 06/30/99	Not Yet Expended	Total Estimated Costs
Land acquisitions (Chinatown/Mission District)	$9,095,793	$0	$9,095,793
Health and safety upgrades	1,120,715	1,625,000	2,745,715
Disability access improvements	0	250,457	250,457
Renovation projects	1,278,834	725,000	2,003,834
Technology, network, and electrical Upgrades	882,427	5,085,000	5,967,427
Childcare facilities	0	250,000	250,000
Subtotal	$12,377,769	$7,935,457	$20,313,226
Bond Issuance Costs	0	79,211	79,211
Debt Service	0	67,713	67,713
TOTAL	**$12,377,769**	**$8,082,381**	**$20,460,150**

Comments:

1. In November 1997, the Board of Supervisors authorized and directed the sale of General Obligation Bonds (Educational Facility Bonds, 1997 – SFCCD) Series 1998B not to exceed $17,000,000 (Resolution No. 1027-97). The issuance of General Obligation Bonds (Educational Facility Bonds, 1997 – SFCCD) Series 1998B was delayed due to litigation related to Proposition D which had been placed on the same June 3, 1997 ballot to authorize the City to issue Football Stadium Bonds to finance a portion of a new stadium development project at Candlestick Park. This litigation delayed bond counsel issuing a final opinion on the validity of the SFCCD bonds. Consequently, the SFCCD requested that additional bond funds be issued to cover project costs for an additional year. On March 1, 1999 the Board of Supervisors authorized and directed the sale of Educational Facility Bonds, Series 1999A not to exceed $23,000,000 (File 99-0197), thereby replacing the previous authorization of $17,000,000. This represented an increase of $6,000,000, or approximately 35 percent.

Educational Facilities Bonds, Series 1999A were issued on June 16, 1999 (File 99-1154). According to Ms. Opsahl-Bordelon, the total Bond proceeds for Educational Facility Bonds, Series 1999B are in the amount of $20,460,150.

2. On February 26, 1999 Mr. Goldstein submitted to the Finance Committee of the Board of Supervisors a budget breakdown of the proposed $20,313,226 capital improvements budget to be funded by Educational Facilities Bonds, Series 1999A. The capital improvements budget in the amount of $20,313,226 shown in the Table on the previous page shows how the budget is currently allocated. Although the total budget of $20,313,226 remained unchanged, between February and September 1999 there have been various shifts in the allocation of funds between component capital improvement projects. Attachment I is a memorandum provided by Mr. Goldstein which identifies such budget reallocations and explains why they have occurred.

3. The SFCCD has prepared Attachment II in response to questions raised by the Finance and Labor Committee at the Finance and Labor Committee meeting of September 23, 199 and after conferring with the Budget Analyst, the Mayor's Office of Finance and the Controller's Office. Attachment II provides further detailed information on actual project expenditures to date and planned expenditures (a) for the major project areas ("Purpose of Appropriation" in the table above) and (b) for individual projects. Attachment II also provides a memorandum from Mr. Goldstein explaining variations from planned expenditures.

4. As shown in Attachment II, SFCCD capital improvement project expenditures in the amount of $12,377,769, or approximately 61 percent of the subject $20,313,226 capital improvements budget, have already been incurred as of June 30, 1999, prior to obtaining Board of Supervisors approval. Attachment III is a memorandum from Mr. Goldstein which explains why the SFCCD incurred expenditures of $12,377,769 of the subject requested funds prior to obtaining appropriation approval from the Board of Supervisors.

Recommendation: Because expenditures of approximately 61 percent, or $12,377,769, of the total requested capital improvement budget of $20,313,226 have already been incurred by the SFCCD prior to obtaining appropriation approval from the Board of Supervisors, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

CITY COLLEGE OF SAN FRANCISCO

VICE CHANCELLOR OF FINANCE & ADMINISTRATION

33 GOUGH STREET • SAN FRANCISCO, CA 94103-1214 • 415. 241.2229 • FAX 415. 241.2344

To: Alan Gibson, Budget Analyst's Office

From: Peter Goldstein, Vice Chancellor Finance & Administration

Re: Bond Appropriation for the Community College District

Date: September 17, 1999

In response to your request I am providing additional information supporting the appropriation of the Community College District's bond proceeds.

As you have noted, while the $20.3 million allocation request has not changed, the amount in each of the individual categories varies from the information presented in February 1999 when the Board of Supervisors authorized the sale of the bonds. There are several reasons for the changes.

First, the full cost of items necessary for the acquisition of properties for the proposed permanent campuses for the Mission and Chinatown/North Beach areas is about $900,000 more than the figure in the February report. These costs are related to the preparation of the environmental impact reports and financing costs for the properties. As final totals were not available in February 1999, they were not submitted as part of the February request. Second, the need to proceed with the College District's technology project is more urgent due to networking needs related to the College District's management system and instructional programs. As a result about $500,000 more than the amount in the February report is now allocated for technology. To absorb these two increases while staying within the total allocation available in the first sale, the College District has reduced the amounts allocated to renovation and health and safety projects by a total of about $1.5 million. These changes do not alter the overall allocation of the College District's $50 million bond package. Finally, costs initially associated with the College District's administration of these bond projects are now distributed into each project category and are no longer listed as a separate item.

Thank you for your assistance and do not hesitate to contact me at 241.2229 if you need any additional information.

Cc: Dr. Phillip Day
Laura Opsahl-Borderon

CITY COLLEGE OF SAN FRANCISCO

VICE CHANCELLOR OF FINANCE & ADMINISTRATION

33 GOUGH STREET • SAN FRANCISCO, CA 94103-1214 • 415 241.2229 • FAX 415 241.2344

To: The Board of Supervisors Budget Analyst

From: Peter Goldstein, Vice Chancellor of Finance & Administration

Date: September 30, 1999

I am writing to provide you with explanatory information related to the spreadsheets that I have attached. There is a separate spreadsheet for each project area contained in the College's bond issue. These spreadsheets show on a building by building basis, the original budget, expenditures through June 30, 1999, and planned expenditures for the recent bond sale. There is also a spreadsheet that provides the same type of information on a summarized level.

The spreadsheets for the College's health & safety, and renovation projects require some additional explanation. At the bottom of each of these pages there is a set of four projects. While these projects clearly fit within the health & safety, and renovation categories, they were not originally included in the College's internal allocation of bond proceeds. The total amount expended for these four projects is about $1.8 million. A previous memo to the Board's Budget Analyst, explained in detail, the specific reasons behind the College's decision to advance its own funds prior to the sale of the bonds, including state-imposed deadlines for securing state funds. Nearly all of the expenditures for these four projects were incurred to leverage a much larger amount of state funds. The total amount leveraged for these four projects totaled nearly $8.6 million. If the college had not advanced its own funds for these projects, the $8.6 million would have gone to other counties.

The College will allocate additional revenues to its bond fund to match the $1.8 million; thereby increasing the College's bond fund by $1.8 million. This revenue will effectively restore the health & safety and renovation project areas back to their original allocations. The source of this revenue is more than $2 million in additional state capital funding that the State Chancellor's Office has already awarded to the College. The College will draw these funds down from the state by using a part of the current bond sale as the required match. These expenditures will be for projects in the health & safety and renovation project areas.

Thank you for your assistance and do not hesitate to contact me at 241-2229 if you need any additional information.

Cc: Ed Harrington, Laura Borderlon, Dr. Phil Day Jr.

SFCCD - Allocations and Expenditures to Date by Project Area

Project Areas	Original Budget for $50 Million Bond Less Estimated Cost of Issuance	Expenditures Through 6/30/99	Planned Expenditures	Total Cost for First Bond Sale	Balance Remaining for Second Bond Sale
Technology/Electrical	$16,443,969	$882,427	$5,085,000	$5,967,427	$10,476,542
Health & Safety	$10,919,545	$1,120,715	$1,625,000	$2,745,715	$8,173,830
Renovation	$9,431,627	$1,278,834	$725,000	$2,003,834	$7,427,793
Childcare	$1,975,982	$0	$250,000	$250,000	$1,725,982
ADA	$992,217	$0	$250,457	$250,457	$741,760
Site Acquisitions	$9,900,000	$9,095,793	$0	$9,095,793	$804,207
Total	$49,663,340	$12,377,769	$7,935,457	$20,313,226	$29,350,114

Campus	Building	Technology/Electrical Original Budget	Expenditures Through 6/30/99	Planned Expenditures	Total Cost for First Bond Sale	Balance Remaining for Second Bond Sale
Phelan	Batmale Hall	$1,876,894	$89,877	$550,000	$639,877	$1,237,016
Phelan	Child Care	$157,711	$23,351	$50,000	$73,351	$84,359
Phelan	Cloud Hall	$962,337	$79,426	$500,000	$579,426	$382,911
Phelan	Conlan Hall	$843,828	$211,524	$200,000	$411,524	$432,304
Phelan	College Bookstore	$143,921	$23,351	$50,000	$73,351	$70,569
Phelan	Creative Arts	$857,032	$23,351	$300,000	$323,351	$533,680
Phelan	Creative Arts Extens.	$592,116	$23,351	$200,000	$223,351	$368,764
Phelan	Diego Rivera Thtr.	$243,663	$23,351	$50,000	$73,351	$170,311
Phelan	Student Health	$128,310	$23,351	$50,000	$73,351	$54,958
Phelan	Visual Arts	$848,918	$23,351	$300,000	$323,351	$525,566
Phelan	Horticulture Center	$239,670	$23,351	$50,000	$73,351	$166,319
Phelan	North Gym	$394,427	$23,351	$270,000	$293,351	$101,076
Phelan	PE Dance Studio	$61,378	$23,351	$30,000	$53,351	$8,027
Phelan	South Gym	$470,309	$23,351	$250,000	$273,351	$196,957
Phelan	Science Hall	$1,947,391	$43,443	$650,000	$693,443	$1,253,947
Phelan	Smith Hall	$431,959	$23,351	$200,000	$223,351	$208,608
Phelan	Statler Wing	$386,899	$23,351	$150,000	$173,351	$213,548
Phelan	Student Union	$475,906	$24,149	$185,000	$209,149	$266,757
Phelan	Library	$73,207	$23,351	$45,000	$68,351	$4,855
Adams	JAD Main	$1,809,058	$12,589	$555,000	$567,589	$1,241,469
Alemany	Alemany	$557,479	$0	$175,000	$175,000	$382,479
Downtown	Downtown	$1,151,609	$25,200	$275,000	$300,200	$851,409
Gough	Gough	$0	$34,748	$0	$34,748	($34,748)
Chinatown/NB	Chinatown N. Beach	$409,520	$0	$0	$0	$409,520
Evans	Evans	$322,407	$8,474	$0	$8,474	$313,933
Mission	Mission	$401,575	$0	$0	$0	$401,575
Southeast	Southeast	$656,447	$0	$0	$0	$656,447
Phelan	900 Series Classrooms	$0	$26,075	$0	$26,075	($26,075)
	Total	$16,443,969	$882,427	$5,085,000	$5,967,427	$10,476,542

SFCCD - Health and Safety Projects

Campus	Building	Health & Safety Original Budget	Expenditures Through 6/30/99	Planned Expenditures	Total Cost for First Bond Sale	Balance Remaining for Second Bond Sale
Phelan	Batmale Hall	$160,019	$29,732	$50,000	$79,732	$80,287
Phelan	Cloud Hall	$194,113	$75,024	$50,000	$125,024	$69,089
Phelan	Conlan Hall	$128,683	$0	$0	$0	$128,683
Phelan	Creative Arts	$245,397	$23,004	$100,000	$123,004	$122,393
Phelan	Creative Arts Extens.	$95,041	$26,443	$0	$26,443	$68,598
Phelan	Visual Arts	$171,383	$0	$100,000	$100,000	$71,383
Phelan	Horticulture Center	$42,530	$0	$0	$0	$42,530
Phelan	North Gym	$332,875	$7,180	$100,000	$107,180	$225,695
Phelan	South Gym	$202,833	$5,383	$100,000	$105,383	$97,450
Phelan	Science Hall	$466,318	$0	$200,000	$200,000	$266,318
Phelan	Smith Hall	$14,643	$0	$0	$0	$14,643
Phelan	Student Union	$37,606	$0	$0	$0	$37,606
Phelan	Phelan Campus General /Campus Infrastructure	$1,302,343	$18,302	$0	$18,302	$1,284,041
Adams	JAD Main	$3,680,993	$16,229	$400,000	$416,229	$3,264,764
Adams	JAD Gym	$22,642	$0	$0	$0	$22,642
Adams	JAD Campus General /Campus Infrastructure	$422,872	$0	$0	$0	$422,872
Alemany	Alemany	$2,403,546	$0	$350,000	$350,000	$2,053,546
Downtown	Downtown	$615,707	$0	$175,000	$175,000	$440,707
	Additional Contingency	$380,000	$0	$0	$0	$380,000
						$0
Phelan	900 Series Classrooms	$0	$496,640	$0	$496,640	($496,640)
Phelan	Phelan Energy Retrofit	$0	$290,274	$0	$290,274	($290,274)
Phelan	Craftworkers Building	$0	$113,075	$0	$113,075	($113,075)
Phelan	Learning Resource Center	$0	$19,429	$0	$19,429	($19,429)
	Total	$10,919,545	$1,120,715	$1,625,000	$2,745,715	$8,173,830

Campus	Building	Renovation Original Budget	Expenditures Through 6/30/99	Planned Expenditures	Total Cost for First Bond Sale	Balance Remaining for Second Bond Sale
Phelan	Batmale Hall	$604,497	$12,043	$0	$12,043	$592,454
Phelan	Cloud Hall	$909,384	$17,213	$0	$17,213	$892,171
Phelan	Conlan Hall	$322,732	$96,386	$0	$96,386	$226,346
Phelan	Creative Arts	$493,481	$86,029	$0	$86,029	$407,452
Phelan	Creative Arts Extens.	$301,536	$0	$0	$0	$301,536
Phelan	Visual Arts	$230,861	$22,281	$0	$22,281	$208,580
Phelan	Horticulture Center	$489,996	$1,595	$0	$1,595	$488,401
Phelan	North Gym	$1,170,801	$0	$200,000	$200,000	$970,801
Phelan	South Gym	$1,229,617	$0	$200,000	$200,000	$1,029,617
Phelan	Science Hall	$929,937	$11,239	$0	$11,239	$918,698
Phelan	Smith Hall	$676,925	$25,077	$0	$25,077	$651,848
Phelan	Student Union	$179,202	$14,296	$50,000	$64,296	$114,906
Phelan	Phelan Campus General /Campus Infrastructure	$37,108	$15,141	$0	$15,141	$21,967
Adams	John Adams Main	$656,940	$68,523	$100,000	$168,523	$488,417
Adams	John Adams Gym	$205,420	$0	$0	$0	$205,420
Alemany	Alemany	$312,788	$2,695	$75,000	$77,695	$235,093
Downtown	Downtown	$295,400	$17,262	$100,000	$117,262	$178,138
	Additional Contingency	$385,000	$0	$0	$0	$385,000
						$0
Phelan	Library	$0	$11,564	$0	$11,564	($11,564)
Phelan	Craftworkers Building	$0	$113,075	$0	$113,075	($113,075)
Phelan	900 Series Classrooms	$0	$474,141	$0	$474,141	($474,141)
Phelan	Phelan Energy Retrofit	$0	$290,274	$0	$290,274	($290,274)
	Total	$9,431,627	$1,278,834	$725,000	$2,003,834	$7,427,793

SFCCD - Childcare; ADA; Site Acquisition Projects

Building	Childcare Original Budget	Expenditures Though 6/30/99	Planned Expenditures	Total Cost for First Bond Sale	Balance Remaining for Second Bond Sale
Phelan Childcare	$1,486,633	$0	$250,000	$250,000	$1,236,633
John Adams Childcare	$489,350	$0	$0	$0	$489,350
				$0	$0
Total	$1,975,982	$0	$250,000	$250,000	$1,725,982

Building	ADA Original Budget	Expenditures Though 6/30/99	Planned Expenditures	Total Cost for First Bond Sale	Balance Remaining for Second Bond Sale
John Adams Gym	$229,583	$0	$100,000	$100,000	$129,583
Alemany	$576,180	$0	$100,000	$100,000	$476,180
Downtown	$186,454	$0	$50,457	$50,457	$135,997
				$0	$0
Total	$992,217	$0	$250,457	$250,457	$741,760

	Site Acquisition Original Budget	Expenditures Though 6/30/99	Planned Expenditures	Total Cost for First Bond Sale	Balance Remaining for Second Bond Sale
New Mission Campus	$4,450,000	$2,389,648	$0	$2,389,648	$2,060,352
				$0	$0
New Chinatown Campus	$5,450,000	$6,706,145	$0	$6,706,145	($1,256,145)
				$0	$0
Total	$9,900,000	$9,095,793	$0	$9,095,793	$804,207

VICE CHANCELLOR OF FINANCE & ADMINISTRATION

33 GOUGH STREET • SAN FRANCISCO, CA 94103-1214 • 415.241.2229 • FAX 415.241.2344

To: Alan Gibson, Budget Analyst's Office

From: Peter Goldstein, Vice Chancellor Finance & Administration

Re: Bond Appropriation for the Community College District

Date: September 3, 1999

In response to your request I am providing information supporting the appropriation of the Community College District's bond proceeds.

The total amount the District has advanced as of June 30, 1999 is $12.377 million, or about 60.93% of the $20,313,226 appropriation. These expenditures fall into four categories covered by the 1997 ballot measure. The largest portion, $9.095 million or about 73.5% of the advanced funds were spent on the acquisition of sites for permanent campuses for the Mission and Chinatown/North Beach neighborhoods. While the College delayed these acquisitions as long as possible, the sellers of the properties refused to wait for Proposition D litigation to make its way through the court system. Consequently the district faced a difficult decision, issue its own debt in the form of Certificates of Participation (COPs) and bear the financial strain of making payments on that debt until bonds could be issued, or lose the locations it had identified as sites for neighborhoods that can benefit greatly from the College's offerings. Working closely with bond counsel, the Board of Trustees made the choice to take the actions needed to secure the locations for permanent campuses for the Mission and Chinatown/North Beach neighborhoods.

The second largest category of advanced expenditures is the combination of health & safety upgrades and renovation projects. These two combined totaled $ 2.4 million or about 19% of the advanced amount. These expenditures were sometimes necessary because of serious threats to the well being of the College's students and staff as was the case with impending failure of water or gas pipes. However, more frequently this spending was needed to ensure that the College did not lose the opportunity to leverage additional state capital funds for San Francisco. By advancing these funds prior to state-imposed deadlines for projects related to items such as windows and roofs, the College was able to draw down generally between 50% and 75% in matching funds from the state.

In two particular cases, by advancing funds the College was able ensure that a total of $8.2 million in state funding for capital projects was saved for San Francisco. In the first case, by advancing about $950,000 for additional classrooms, the College was able to secure more than $4.4 million in state funds for remodeling one of its largest classroom facilities. In a second case by advancing $225,000 for architectural work, the College was able to secure more than $3.8 million in state capital improvement funds for new quarters for its electricians, plumbers, carpenters and gardeners.

The third category of advanced spending related to computer networking issues vital to the function of the College. These expenditures totaled about $882,000, or about 7.1% of the $12.277 million advanced. This spending was needed to bring minimal connectivity to College staff who need access to the College's main management information system, and to bring web access to one instructional building. It was also necessary to accomplish much of the final design work for the larger computer network project that makes up the single largest commitment the College made to San Francisco's voters in the June 1997 election. By advancing $440,000 funds network architecture, the College will be able to move forward more quickly toward building the network and thereby bringing technology into more of its classrooms.

The summary of planned expenditures totals $7.935 million, or about 39.07 per cent of the $20,313,226 appropriation request. The proposed all fall under the categories the College committed to address in the June 1997 ballot measure: health and safety, technology infrastructure, renovations, childcare, and ADA improvements. The College expects to fully expend the $7.935 million within the next eighteen months.

Thank you for your assistance and do not hesitate to contact me at 241.2229 if you need any additional information.

Cc: Dr. Phillip Day
Laura Opsahl-Borderon

Item 2 – File 99-1737

Department: Mayor's Office of Housing

Item: Ordinance amending Section 50.22 of the Administrative Code to increase the maximum amount of a loan that may be made to a nonprofit performing arts organization under the Nonprofit Performing Arts Loan Program from $150,000 to $200,000.

Description: The Nonprofit Performing Arts Loan Program (the "loan program") arranges low-cost loans of up to $150,000 to nonprofit performing arts organizations for facilities maintenance, renovation and capital improvements to correct significant building code violations at the facilities in which such organizations perform. Loans totaling $1,828,898 have been made to date. Attachment I, provided by the Mayor's Office of Housing, details currently outstanding and past loans made under the loan program, including identification of (a) the facility, (b) the nonprofit performing arts organization, (c) the location of the facility, (d) the loan's purpose, (e) the original principal amount and (f) the current status for each loan.

The proposed ordinance would amend Administrative Code Section 50.22 to authorize an increase in the maximum loan amount that could be made to a nonprofit performing arts organization by $50,000, from $150,000 to $200,000. According to Mr. Joe LaTorre of the Mayor's Office of Housing, the Office that administers the loan program, this change is necessary to provide flexibility to make larger loans if justified. According to Mr. LaTorre, the maximum loan amount was last increased in 1991 by $50,000, from $100,000 to $150,000. Under the Administrative Code, the Mayor's Office of Housing is responsible for administering the loan program.

The performing arts organizations that obtain loans under the loan program pay three percent interest on the loans, for terms of up to 30 years. According to Mr. LaTorre, all loans must be repaid. According to Mr. LaTorre, there are currently 12 loans outstanding under the loan program in an aggregate principal amount of $999,173.69. Attachment II, provided by the Mayor's

Office of Housing, lists each of the 12 loans currently outstanding, including (a) the facility, (b) the nonprofit performing arts organization, (c) the location of the facility, (d) the loan's purpose, and (e) the current outstanding principal amount as of September 1, 1999, for each loan.

According to Mr. LaTorre, the loan program currently has approximately $240,000 available for additional loans. According to Mr. LaTorre, the loaned funds are held in a Special Fund Revolving Account. As loans are repaid, the funds become available for additional loans.

Mr. LaTorre states that, over the term of the loan program, there have been two loan defaults, of which the City wrote off a total of $157,958. Attachment III is a memo from Mr. LaTorre explaining the circumstances surrounding the write-off of the two loans.

Mr. LaTorre states that the loan program was originally funded from prior appropriations totaling $1,300,000, including $500,000 appropriated from the General Fund in April 1984, $500,000 appropriated from the Hotel Tax Fund under the Grants for the Arts Program in July 1985 and $300,000 appropriated from the Hotel Tax Fund under the Grants for the Arts Program in July 1986. Additionally, Mr. LaTorre indicates that $600,000 more has been recently allocated for the loan program from the Hotel Tax Fund under the FY 1998-1999 Grants for the Arts Program, but such funds have not yet been reflected in the available funds for the loan program. Once such funds become available to the loan program, total appropriations will amount to $1,900,000.

Comment: According to Mr. LaTorre, the loan program has received a request from a nonprofit performing arts organization, Thick Description, for $200,000 to rehabilitate a performance space at 1695 18th Street. A loan of $150,000 has already been approved, and the request for the additional $50,00C has been held pending approval by the Board of Supervisors of this proposed ordinance.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Attachment I

Nonprofit Performing Arts Loan Program - Loan History

Theater Name	Borrower	Address	Purpose of Loan	Loan Amount	Outstanding?
Eureka Theatre	Eureka Theatre Company, Inc.	2730 - 16th Street	Build out theater space	$100,000	Yes
Studio Eremos	Studio Eremos	499 Alabama St.	Build out theater space	$21,500	Yes
Centerspace Dance Foundation	Centerspace Dance Foundation	2840 Mariposa St.	Build out theater space	$50,831	Yes
Theatre Artaud	Theatre Artaud	499 Alabama St.	Rehabilitate existing theater	$100,000	Yes
Community Music Center	Community Music Center	544 Capp St.	Rehabilitate existing performance hall	$100,000	No
One Act Theatre	One Act Theatre of San Francisco	430 Mason St.	Rehabilitate existing theater	$36,567	No
New Langton Arts	80 Langton Street Corporation	1246 Folsom St.	Rehabilitate existing performance hall	$30,000	No
Illustrated Stage Company	Illustrated Stage Company	25 Van Ness Ave.	Build out theater space	$100,000	No
Victoria Theater	Theatre Guild of San Francisco	2961 -16th Street	Rehabilitate existing theater	$100,000	Yes
Theatre Rhinoceros	Theatre Rhinoceros	2926 - 16th St.	Rehabilitate existing theater	$100,000	Yes
Pocket Opera	Pocket Opera	(Ghiradelli Square)	Build out theater space	$100,000	No
Lorraine Hensberry Theatre	YWCA and SEW Productions	620 Sutter St.	Build out theater space	$100,000	No
S.F. International Video Festival	S.F. International Video Festival	1325 Howard St.	Build out theater space	$100,000	No
George Coates Performance Works	George Coates Performance Works	110 McAllister St.	Rehabilitate existing theater	$150,000	Yes
EXITheatre	EXITheatre	156 Eddy St.	Build out theater space	$90,000	Yes
New Performance Gallery	Oberlin Dance Collective	3153 - 17th St.	Rehabilitate existing theater	$150,000	Yes
York Theatre	Braval for Women In the Arts	2761 - 24th St.	Acquire theater	$150,000	Yes
The Marsh	The Marsh	1062 Valencia St.	Acquire theater	$150,000	Yes
SOMAR	Friends of Support Services for the Arts	934 Brannan St.	Rehabilitate existing performance hall	$100,000	Yes
Goodman2	Thick Description	1695 - 18th St.	Build out theater space	$150,000	pending

10/1/1999

Attachment I

Nonprofit Performing Arts Loan Program - Currently Outstanding Loans

Theater Name	Borrower	Address	Original Loan Amount	Current Balance as of 9/1/99
Eureka Theatre	Eureka Theatre Company, Inc.	2730 - 16th Street	$100,000	$47,654.33
Studio Eremos	Studio Eremos	499 Alabama St.	$21,500	$11,164.20
Centerspace Dance Foundation	Centerspace Dance Foundation	2840 Mariposa St.	$50,831	$21,172.64
Theatre Artaud	Theatre Artaud	499 Alabama St.	$100,000	$18,203.56
Victoria Theater	Theatre Guild of San Francisco	2961 -16th Street	$100,000	$86,115.04
Theatre Rhinoceros	Theatre Rhinoceros	2926 - 16th St.	$100,000	$80,801.52
George Coates Performance Works	George Coates Performance Works	110 McAllister St.	$150,000	$114,707.93
EXITheatre	EXITheatre	156 Eddy St.	$90,000	$90,000.00
New Performance Gallery	Oberlin Dance Collective	3153 - 17th St.	$150,000	$142,530.23
York Theatre	Braval for Women in the Arts	2761 - 24th St.	$150,000	$150,000.00
The Marsh	The Marsh	1062 Valencia St.	$150,000	$150,000.00
SOMAR	Friends of Support Services for the Arts	934 Brannan St.	$100,000	$86,824.24
				$999,173.69

10/1/1999

MEMORANDUM

Mayor's Office of Housing

October 1, 1999

TO: James Edison, Budget Analyst

FROM: Joe LaTorre JL

SUBJECT: Nonprofit Performing Arts Loan Program

You have requested information as to the circumstances under which loans made from the Nonprofit Performing Arts Loan Program have been deemed uncollectable. There are two loans on which principal obligations have been written off by the City. The following description is from memory, as the pertinent documentation is not held here in the Mayor's Office of Housing, and you have requested a prompt response.

1. San Francisco International Video Festival: This loan of $100,000 was made in 1988 for the buildout of a theater in a warehouse space in the South of Market. The borrower was unable to raise additional funds to complete the project and ceased operation. At that time, the program regulations defined acceptable security to be the leasehold interest in the property. The City attempted at the time to identify another theater organization who could take over the leasehold interest, utilizing the theater space and making lease payments. No such organization could be found, and the City's security was eliminated.

   MOH worked with the City Attorney to identify assets which the City could lien for collection, but no such assets were found and the organization itself went out of existence. The loan was therefore deemed uncollectable. The NPALP legislation was amended in 1991 to require the borrowers to provide security other than a leasehold interest in order to receive a loan.

2. Illustrated Stage Company: This loan of $100,000 was made in 1986 for the buildout of a theater in the basement of 25 Van Ness Avenue, at that time owned by a private developer. The buildout was completed and the organization operated the theater and made loan payments for approximately five years. However, when the City acquired the building in about 1992, the Real Estate Department determined not to renew the organization's lease. Since the City was acquiring title to the improvements financed with the NPALP loan, the Illustrated Stage Company's obligation was deemed satisfied by conveyance of title to the improvements to the City. At the time of lease termination, $57,958 in outstanding principal was forgiven.

Please call me at 252-3188 if you have any further questions.

25 Van Ness Avenue, Suite 600 • San Francisco, CA 94102 • 415-252-3177 • fax 415-252-3140• TTD 415-554-8749

Item 3 - File 99-1828

Department: Office of the Mayor

Item: Supplemental appropriation of $200,000 from the General Fund Reserve for an emergency gift to the City of Taipei to fund earthquake relief efforts.

Amount: $200,000

Source of Funds: General Fund Reserve

Description: On September 21, 1999, an earthquake measuring 7.6 on the Richter Scale hit approximately 90 miles south of Taipei, Taiwan, collapsing numerous buildings, leaving approximately 2,100 persons dead, and causing enormous damage throughout the country. According to the Office of the Sponsor of the proposed ordinance, the City of Taipei, a Sister City to San Francisco, gave $100,000 to the City of San Francisco for earthquake relief and rebuilding efforts after the Loma Prieta Earthquake in 1989. The proposed ordinance would appropriate $200,000 of General Fund monies to the City of Taipei, Taiwan to assist with their earthquake relief efforts.

Comments: 1. The proposed $200,000 would be coordinated with the local Taipei Economic and Cultural Office, to ensure that these funds go directly to the City of Taipei for earthquake use. According to Ms. Melinda Yee Franklin of the Mayor's Office of International Trade and Commerce, the Taipei Economic and Cultural Office, located at 555 Montgomery Street in San Francisco, is the local diplomatic office for Taipei that is in lieu of a consulate, because the United States government does not have formal relations with the Taiwan government. Ms. Franklin advises that the proposed funds are likely to be used for medical relief, emergency equipment, technical expertise and rebuilding and construction activities, although a specific budget or allocation of how the funds will be spent is not available.

2. According to the Office of the Sponsor of the proposed legislation, in addition to the proposed $200,000 gift from the City of San Francisco, approximately $4 million of other funds have been raised by the local community to be forwarded to Taiwan to assist in their earthquake relief efforts.

3. According to the Office of the sponsor of the proposed ordinance, after the Loma Prieta Earthquake in 1989, in addition to the City of Taipei's $100,000 gift, the City of Osaka gave the City of San Francisco $100,000 and the citizens of Osaka raised another $400,000 for the City's earthquake relief and rebuilding efforts. Ms. Franklin reports that the funds that the City received directly for earthquake relief after the Loma Prieta earthquake in 1989 were deposited into the Mayor's Special Earthquake Relief Fund and expended primarily for municipal infrastructure improvements. The Office of the Sponsor also notes that in 1995, after the Kobe Earthquake in Japan, the City of San Francisco gave $50,000 to San Francisco's Sister City of Osaka for their earthquake relief and rebuilding efforts.

4. On September 27, 1999, the Board of Supervisors approved a resolution (File 99-1775) extending condolences and expressing sympathy and concern for the earthquake victims in Taiwan, urging the San Francisco community to participate in humanitarian aid efforts and directing the Clerk of the Board of Supervisors to forward a copy of the resolution to the Taipei Economic and Cultural Office, the City of Taipei and the Government of Taiwan.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 – File 99-1711

Department: Department of Real Estate (DRE)
Department of Public Health (DPH)

Item: Authorizing the retroactive extension and renewal of seven (7) existing leases of real property leased by the Department of Public Health.

Description: Each of the proposed leases is summarized below:

(1) **Location:** 298 Monterev Boulevard (entire propertv)

Purpose of Lease: Outpatient Mental Health Clinic

Lessor: John William Powell and Sylvia Cambell Powell

No. of Sq. Ft. and Cost/Month: Approx. 4,025 sq. ft. @ $0.81 /sq. ft./ mo. or $3,250 rent/mo. (see Comment No. 1)

Annual Rent: $39,000

% Change over 1998-99: 14 percent

Utilities & Janitor Provided by Lessor: Janitorial only.

Term of Lease: July 1, 1999 on a month-to-month basis (not to exceed 12 months)

Right of Renewal: None

Source of Funds: 55 percent State Funds and 45 percent General Fund monies included in DPH's FY 1999-2000 budget

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(2) **Location:** 3901-3905 Mission Street (portion of the ground floor)

Purpose of Lease: Outpatient Mental Health Clinic

Lessor:	Giovacchino and Armando Diodati
No. of Sq. Ft. and Cost/Month:	Approx. 2,570 sq. ft. @ $1.20/sq. ft./mo. or $3,084 rent/mo.
Annual Rent:	$37,008
% Change over 1998-99:	None
Utilities & Janitor Provided by Lessor:	Landlord provides all janitorial and utility services.
Term of Lease:	July 1, 1999 through June 30, 2000
Right of Renewal:	None
Source of Funds:	55 percent State Funds and 45 percent General Fund monies included in DPH's FY 1999-2000 budget

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(3) Location:	3911 Mission Street (portions of the ground floor)
Purpose of Lease:	Outpatient Mental Health Clinic
Lessor:	Giovacchino and Armando Diodati
No. of Sq. Ft. and Cost/Month:	Approx. 1,500 sq. ft. @ $1.20/sq. ft./mo. or $1,800 rent/mo.
Annual Rent:	$21,600
% Change over 1998-99:	None
Utilities & Janitor Provided by Lessor:	Landlord provides all janitorial and utility duties.
Term of Lease:	July 1, 1999 through June 30, 2000
Right of Renewal:	None

Source of Funds: 55 percent State Funds and 45 percent General Fund monies included in DPH's FY 1999-2000 budget

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(4) **Location:** 111 Potrero Avenue (ground floor)

Purpose of Lease: Adult Outpatient Mental Health Clinic

Lessor: 111 Potrero Partnership

No. of Sq. Ft. and Cost/Month: Approx. 6,000 sq. ft. @ the following monthly rates:

- $1.75/sq. ft./mo. or $10,500 rent/mo. for the three-month period from July 1, 1999 through September 30, 1999.
- $2.00/sq. ft./mo. or $12,000 rent/mo. for the nine-month period from October 1, 1999 through June 30, 2000.

Annual Rent: $139,500, including $31,500 for the first three months and $108,000 for the subsequent nine months.

% Change over 1998-99: 31 percent for the first three months and an additional 14.3 percent for the subsequent nine months.

Utilities & Janitor Provided by Lessor: Janitorial only.

Term of Lease: July 1, 1999 on a month-to-month basis (not to exceed 12 months)

Right of Renewal: None

Source of Funds: 55 percent State Funds and 45 percent General Fund monies included in DPH's FY 1999-2000 budget

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(5)	Location:	10-20 29th Street (entire property)
	Purpose of Lease:	Children's Outpatient Mental Health Clinic
	Lessor:	George, Lois and Lawrence Maisels
	No. of Sq. Ft. and Cost/Month:	Approx. 2,400 sq. ft. @ $0.62/sq. ft./mo. or $1,500 rent/mo.
	Annual Rent:	$18,000
	% Change over 1998-99:	None
	Utilities & Janitor Provided by Lessor:	None
	Term of Lease:	July 1, 1999 on a month-to-month basis (not to exceed 12 months)
	Right of Renewal:	None
	Source of Funds:	55 percent State Funds and 45 percent General Fund monies included in DPH's FY 1999-2000 budget

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(6)	Location:	755-61 South Van Ness Avenue (ground floor)
	Purpose of Lease:	Adult Outpatient Mental Health Clinic
	Lessor:	AIM TWO
	No. of Sq. Ft. and Cost/Month:	Approx. 7,101 sq. ft. @ $1.10/sq. ft./mo. or $7,810 rent/mo.
	Annual Rent:	$93,720
	% Change over 1998-99:	10 percent

Utilities & Janitor Provided by Lessor:	None
Term of Lease:	July 1, 1999 on a month-to-month basis (not to exceed 12 months)
Right of Renewal:	None
Source of Funds:	55 percent State Funds and 45 percent General Fund monies included in DPH's FY 1999-2000 budget

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(7) Location:	759 South Van Ness Avenue (entire second floor)
Purpose of Lease:	Children's Outpatient Mental Health Clinic
Lessor:	AIM TWO
No. of Sq. Ft. and Cost/Month:	Approx. 6,445 sq. ft. @ $1.40/sq. ft./mo. or $9,055 rent/mo.
Annual Rent:	$108,660
% Change over 1998-99:	12 percent
Utilities & Janitor Provided by Lessor:	None
Term of Lease:	July 1, 1999 on a month-to-month basis (not to exceed 12 months)
Right of Renewal:	None
Source of Funds:	55 percent State Funds and 45 percent General Fund monies included in DPH's FY 1999-2000 budget

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Comments:

1. Mr. Steve Alms of the Department of Real Estate (DRE) advises that the proposed resolution incorrectly states that the rental rate for Lease No. 1 at 298 Monterey Boulevard is $2,900 per month. Mr. Alms states that the correct rate is $3,250 per month. Therefore, the proposed resolution should be amended to state that the rental rate for Lease No. 1 at 298 Monterey Boulevard is $3,250 per month, instead of $2,900 per month.

2. According to Mr. Alms: Lease #1 at 298 Monterey Boulevard and Lease #5 at 10-20 29th Street have been negotiated on a month-to-month basis because the DPH intends to consolidate the DPH Outpatient Mental Health Clinic at 298 Monterey Street and the DPH Children's Outpatient Mental Health Clinic at 10-20 29th Street into one single location. Lease #4 at 111 Potrero Avenue and Lease #6 at 755-61 South Van Ness Avenue have been negotiated on a month-to-month basis because, at the request of the DPH, the DRE is currently searching for one single location to consolidate the DPH Adult Outpatient Mental Health Clinics currently located at the two separate sites. Lease #7 at 759 South Van Ness Avenue has been negotiated on a month-to-month basis because the DPH may require the space currently occupied by the DPH Children's Outpatient Mental Health Clinic at that site to consolidate the DPH Adult Outpatient Mental Health Clinics under Lease #4 at 111 Potrero Avenue and Lease #6 at 755-61 South Van Ness Avenue. The DPH Children's Outpatient Mental Health Clinic at 759 South Van Ness Avenue would then be relocated to a yet unidentified location in the City.

3. The attached memo, provided by Mr. Alms, explains the reason for the various rental increases for the subject leases. Mr. Alms advises that the increase in rent over the prior year for Lease #7 at 759 South Van Ness Avenue is approximately 12 percent, rather than 10 percent, as shown in the attachment.

4. Mr. Alms reports that all of the proposed rental rates reflect fair market value.

Recommendations:

1. In accordance with Comment No. 1 above, amend the proposed resolution to state that the rental rate for Lease No. 1 at 298 Monterey Boulevard is $3,250 per month, instead of $2,900 per month.

2. Approve the proposed resolution as amended.

City and County of San Francisco

Real Estate Department
Office of the
Director of Property

Attachment
Page 1 of 2

MEMORANDUM

September 30, 1999

TO: Harvey Rose
Budget Analyst

FROM: Steve Alms
Senior Real Property Officer
554-9865

SUBJECT: Public Health Lease Renewals
Fiscal Year 1999/2000

The following explanations are provided in response to your questions regarding the various Public Health lease renewals.

298 Monterey Boulevard (Item #1)
The increase in rent from $2,850.00 to $3,250.00 per month represents an increase of approximately 14% over the prior year. The prior rent has been in effect since July 1997. The market continues to change dramatically. The rent negotiated with the landlord for fiscal year 1999/2000 is at or below market rate, and the increase is nominal when compared to the change in the market in the past two years.

111 Potrero Avenue (Item #4)
The July 1, 1999 increase in rent from $8,000.00 to $10,500.00 per month represents an increase of approximately 31% over the prior year. In addition, the rent is scheduled to increase again effective October 1, 1999 to $12,000.00 per month ($2.00 per square foot per month), representing an additional increase of approximately 14%. The 1998/99 rent was below market. In addition, as noted in our cover letter of September 21, 1999, the rent increase reflects the significant change currently taking place in the market. The change in the market continues to be driven by the much-publicized demand for office space to house the multi-media industry. The stepped escalation was negotiated to reduce the immediate impact on the Department of Public Health budget, and the $2.00 per square foot rate negotiated with the landlord is market rate rent.

H:\49\4929\fy1999-2000 memo to brose.doc

554-9850
FAX: 552-9216
25 Van Ness Avenue, Suite 400
San Francisco, 94102

755-61 South Van Ness Avenue (Item #6)
The increase in rent from $7,100.00 to $7,810.00 per month represents an increase of approximately 10% over the prior year. As noted above, the market has changed dramatically. The market rate rent negotiated with the landlord for fiscal year 1999/2000 is a nominal change compared to the change in the market.

759 South Van Ness Avenue (Item #7)
The increase in rent from $8,056.25 to $9,055.00 per month represents an increase of approximately 10% over the prior year. As noted above, the market has changed dramatically. The market rate rent negotiated with the landlord for fiscal year 1999/2000 is a nominal change compared to the change in the market.

At the request of the Department of Public Health, the Real Estate Division is attempting to relocate the facilities identified as Items 4, 5 and 6, including a consolidation of items 4 and 6 to a single location. The other items listed could be relocated as part of the relocation/consolidation effort, depending on the location and size of available new facilities. In the mean time, it is prudent to maintain month-to-month agreements in order to maximize the City's ability to react in the current market.

If there are other questions regarding the proposed renewals, please call me at 554-9865.

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Item 5 – File 99-1712

Department:	Administrative Services
Item:	Resolution authorizing the Director of Administrative Services to execute amendments to an agreement, related to the Moscone Center Expansion Project, dated May 16, 1997, increasing the amount of the agreement by \$4,500,000, from \$9,526,326.38 to \$14,026,326.38.
Amount:	\$4,500,000
Source of Funds:	Previously appropriated FY 1999-2000 Hotel Tax funds in the Department of Administrative Services – Moscone Center Expansion Project budget.
Description:	The proposed resolution would authorize the Director of Administrative Services to enter into two or more amendments to an existing contract with Gensler/Michael Willis & Associates/Kwan Henmi Architects for architectural and engineering design and related services in connection with the new Moscone Center Expansion Project in an amount not to exceed \$4,500,000, increasing the amount of the agreement from \$9,526,326,38 to \$14,026,326.38. Section 9.118 of the City Charter requires that all contracts in excess of \$10 million must be approved by the Board of Supervisors. The funds for the proposed modifications will come from Hotel Tax fund monies previously appropriated by the Board of Supervisors for the Moscone Center Expansion Project in the FY 1999-2000 budget.

In March of 1996, San Francisco voters approved a ballot measure authorizing the issuance of Lease Revenue Bonds, in an amount not to exceed \$157.5 million, for the development of a new 240,000 square-foot separate facility at 860 Howard Street to provide additional convention meeting and exhibit space to supplement the Moscone Convention Center. The existing Moscone Convention Center at 747 Howard Street, which was expanded by 300,000 square feet in 1992 and 1993, now encompasses a total of 600,000 square feet in convention meeting and exhibit space.

On May 16, 1997, the Director of Administrative Services entered into a contract with Gensler/Michael Willis & Associates/Kwan Henmi Architects for architectural and engineering design and related services for the new Moscone Center Expansion Project in the amount of $9,526,326.38. According to Mr. Leonard Tom, Director of Finance for the Moscone Center Expansion Project, managed by the Department of Administrative Services, the contract was awarded under a competitive request for proposal process.

According to Mr. Tom, the basic scope of the Moscone Center Expansion Project was enlarged in September of 1997, necessitating the additional architectural and engineering design work. The net useable floor area was increased by 60,000 square feet, from 240,000 to 300,000 square feet, additional land purchases were authorized, the project's construction budget only was increased from $144,000,000 to $191,000,000 and the project completion date was extended one year to February of 2003. The total estimated costs of the Moscone Center Expansion Project, construction, design and other costs, originally $195,500,000 in May 1997 and later increased to $244,100,000 in September 1997, will be financed from Lease Revenue Bond proceeds and Hotel Tax revenues. Attachment I, provided by the Moscone Center Expansion Project, details (a) all sources of funds for the Moscone Center Expansion Project, (b) all projected costs, and (c) an explanation as to why the proposed additional architectural and engineering design and related services, of up to $4,500,000, should not be obtained through a competitive request for proposal process.

Mr. Tom states that additional architectural and engineering design and related services, of up to $4,500,000, which is the subject of this request, are necessary for the enlarged project, and that therefore the contract with Gensler/Michael Willis & Associates/Kwan Henmi Architects must be amended to reflect the additional required work. Attachment II, provided by the Moscone Center Expansion Project, details a proposed contract modification in the amount of $3,583,596 and the additional services that would be provided. Attachment III is a memo from Mr. Tom that details additional

anticipated contract requirements of up to $916,404. Therefore, the total required contract amendments would not exceed $4,500,000 ($3,583,596 plus $916,404).

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco

Moscone Center Expansion Project

Willie Lewis Brown, Jr., *Mayor*

Mark Primeau, *Director of Public Works*

Ray Fong, *Project Manager*

MEMORANDUM

DT: Sept. 30, 1999
TO: James Edison, Budget Analyst
FM: Leonard Tom LT
RE: Moscone Expansion Project – Follow Up Responses

Per your request, following is a comparison of the hard and soft costs for construction of the Moscone Center Expansion Project between May 1997 (start of A&E contract) and current.

Category	May 1997	Current
Building Demolition/Construction Contracts /FF&E	$144.0 million	$191.0 million
Construction Contingency	$ 14.4 million	$ 12.8 million
Offsite Infrastructure	$ 3.4 million	$ 2.8 million
Architecture/Construction Management	$ 22.2 million	$ 26.3 million
Consultants	$ 1.2 million	$ 0.7 million
City Departments, Permits, Fees, Art Projects	$ 10.3 million	$ 11.1 million
Total	$195.5 million	$244.7 million
FUNDING SOURCES		
Revenue Bonds (available for construction)	$115.0 million	$115.0 million
Hotel Tax Revenue (post 8/96)	$ 67.0 million	$ 81.3 million
Convention Facilities Fund Balance	$ 13.5 million	$ 48.4 million
Total	$ 195.5 million	$244.7 million

In response to your question why we are not putting this additional work out to competitive bidding, the majority of our request is for work (construction administration) that was always contemplated in the architect's basic responsibility to take a project from preliminary design to final completion. We are supplementing the original certified value to bring on that phase of the work at this time. It would not be time efficient or cost effective to stop work and solicit proposals from new architectural teams to modify the building design. Professional liability requirements would not allow the consecutive mixture of different teams on the same project.

Cc: Jack Moerschbaecher
RF/JO/BH

Ltom/MCEP Accounting/AE Board Resolution

99 Grove Street #204 San Francisco, CA 94102 ~ Telephone (415) 978-5901 Fax (415) 978-5913

ATTACHMENT A

Additional Services

Architect shall provide additional services for the construction administration phase of the project. The construction administration phase work shall be performed in accordance with the applicable provisions set forth in the Agreement, dated May 16, 1997. This work includes, but is not limited to, assistance during contract bidding and award, review of construction issues arising during performance of the construction contracts, responding to all information requests made by the general contractor(s), review and approval of all shop drawings and all other submittals prepared by the general contractor(s). Additional cost of this work is not to exceed $3,331,943.00 without specific written amendment to this contract executed by the City. The estimated time frame for this work is approximately three and a half years, from September 1999 through February 2003.

The Architect shall provide additional air quality research to ensure proper design of internal ventilation systems serving the loading areas in the basement of the new building. Total cost of this research is not to exceed $1,653.00 without specific written authorization by the City.

The Architect shall reimburse the City, with interest, for the advanced payment for project insurance premiums in the amount of $250,000.00. This payment was made because the City required a project specific insurance policy for the project, which entailed a lump sum payment for the premiums by the Architect. For normal insurance the Architect would have paid annual premiums for the life of the project.

Moscone Center Expansion Project 9/30/99
A&E Construction Administration Cost Projection
Gensler/Michael Willis/Kwan Henmi Joint Venture

Position	FTE	Hours/Mo.	Billing Rates		Cost/Month	
Project Director	0.5	85	$	160	$	13,600
Senior Architect(s)	1.5	255	$	105	$	26,775
Project Administrator	1.0	170	$	67	$	11,390
Subconsultants	as needed	135	$	105	$	14,175
		Total fees/month			$	65,940
		Reimbursables (ave.)			$	8,103
Contruction Admin. period to last 45 months (10/99 - 6/03)		Monthly Average Cost			$	74,043
		X # months				45
		Budgeted Expense			$	3,331,944

ltom/moscone 3/A&E Contract Adm.

City and County of San Francisco **Moscone Center Expansion Project**

Willie Lewis Brown, Jr., *Mayor*

Mark Primeau, *Director of Public Works*

Ray Fong, *Project Manager*

MEMORANDUM

DT: Sept. 30, 1999
TO: James Edison
FM: Leonard Tom LT
RE: File 991712 - MCEP Contract Mod. – Additional Modification Requests

The Moscone Expansion Project has already come to agreement on $3,583,596 worth of contract modifications with the joint venture. Approximately $3 million of that amount is for the construction administration phase of work that was originally anticipated, but not certified at the start of the contract work.

Following is a list of contract modification requests for additional services, which are currently being negotiated between the City and the joint venture and we expect to certify in the very near future. We are requesting the authority to make these changes at this time to reduce the need to go back repeatedly to the Board for an item by item approval.

Additional seismic testing of structural joints	$114.5 K
Electrical/life safety commissioning	$101.9 K
Friction dampers study/design	$146.4 K
Basement cafeteria revisions	$ 11.5 K
Building HVAC commissioning	$127.2 K
Additional civil services	$ 39.1 K
Additional cooling tower enclosure effort	$ 10.7 K
Interior Art Project additional work	$ 78.4 K
Exterior Art Project additional work	$125.2 K
Total Additional Requests	$754.9 K

We are proposing an additional reserve of $161,504 (to round our current request to the Board to $4,500,000) for future consultation on furnishings, fixtures and equipment (FF&E), which will need to be coordinated with design to make the new building operational. This reserve represents one percent of the contract value and is conservative, given the size and complexity of the project.

Please call me at 978-5905 with any other questions you might have.

Cc: RF/JO
Jack Moerschbaecher

Ltom/MCEP Accounting/AE Board Resolution

99 Grove Street #204 San Francisco, CA 94102 ~ Telephone (415) 978-5901 Fax (415) 978-5913

Item 6 – File 1720

Department:	Airport Department of Real Estate (DRE)
Item:	Resolution authorizing the acquisition of 13 noise easements for properties in unincorporated San Mateo County as part of the County of San Mateo's Aircraft Noise Insulation Program.
Amount:	$220,472

Source of Funds:

Fiscal Year 1999-2000 Airport budget	$ 77,196
Airport Capital Projects Commercial Paper Fund	143,276
Total	$220,472

Description:

In 1992, the Airport entered into a Memorandum of Understanding (MOU) with neighboring local governments, in which the Airport provides funds to local governments to pay for the cost of insulating private residences against Airport noise. The Airport has committed up to $120,000,000 to provide funds to local governments who have signed the MOU with the Airport. In addition, the Airport committed to continue participation in the noise insulation program, in which the Federal Aviation Administration (FAA) provides 80 percent matching funds and the Airport provides 20 percent matching funds, to insulate remaining dwelling units and other noise-sensitive land uses, such as churches and schools.

As part of the agreement to provide funds to cover the costs of insulating private residences and other facilities against Airport noise, the Airport obtains a Grant of Easement from the property owner, permitting the Airport to conduct operations which would cause noise and vibration on the private property.

Approval of the proposed resolution would authorize the Airport to acquire 13 Grants of Easement in an unincorporated portion of San Mateo County. The total cost to the Airport to acquire the easements would be 20 percent of the noise insulation costs, or $220,472. The

remaining 80 percent of the costs, or $881,886, has been paid by the FAA to San Mateo County, for a total project cost of $1,102,358 ($220,472, plus $881,472).

Comments:

1. According to Ms. Sally Osaki of the Airport, 13 Grants of Easement have been acquired from property owners, consisting of 9 dwelling units and 4 churches and will remain in effect for a period of 20 years.

2. Ms. Osaki states that the City's cost in acquiring the Grants of Easement are 20 percent of the total cost to insulate the 9 dwelling units and 4 churches to reduce noise decibels to acceptable levels. Because the affected dwelling units and churches are in an unincorporated portion of San Mateo County, the County received 80 percent of the total construction cost in grant funds from the FAA. Ms. Osaki advises that the total cost to the Airport would not exceed $220,472. According to Ms. Osaki, of the $220,472 in matching funds provided by the Airport, $77,196 would come from the FY 1999-2000 Airport budget, and $143,276 would come from the Airport Capital Projects Commercial Paper Fund, previously appropriated for the purpose of insulating homes in San Mateo County against Airport noise.

Recommendation: Approve the proposed resolution.

<u>BOARD OF SUPERVISORS</u>
BUDGET ANALYST

Item 7 – File 99-1752

Department: Port

Item: Hearing requesting the release of reserves in the amount of $260,000 to fund dredging and disposal work to be performed at Hyde Street Harbor.

Amount: $260,000

Source of Funds: Loan proceeds from the California Department of Boating and Waterways.

Description: In May of 1988 the Board of Supervisors approved the Port's request to apply for and accept loan funds in the amount of $3,000,000 from the California Department of Boating and Waterways to fund the Hyde Street Fishing Harbor Project (Resolution 374-88). In April of 1994 the Board of Supervisors approved a resolution to increase the amount of the loan by $500,000, to a total loan amount of $3,500,000 (Resolution 350-94). In January of 1998, the Board of Supervisors appropriated the $3,500,000 in loan funds. Of the $3,500,000 appropriated, $3,229,700 was placed on reserve, pending submission of budget details (Ordinance No. 40-98).

The Hyde Street Fishing Harbor Project, which is presently estimated to cost $3,863,500, was approved in 1988 as part of a project to revitalize commercial fishing at Fisherman's Wharf. The Hyde Street Fishing Harbor Project consists of a waterside vessel berthing facility and landside improvements. In addition, the project would include spill containment equipment, a leak detection system, a vessel sewage pump-out station, an oily waste disposal facility, a public restroom, a security gate, parking for approximately 45 vehicles, and approximately 3,000 square feet of public access at the foot of Pier 45. The Port Commission approved the Environmental Impact Report (EIR) for the project in December of 1996.

In June of 1999, three construction bids for the Hyde Street Fishing Harbor Project were received by the Port, ranging from $5,017,740 to $6,096,089, all of which exceeded the $4,181,482 in funds available for the project

from the California Department of Boating and Waterways loan ($3,266,982), the Port Capital Plan ($473,000), the California Department of Boating and Waterways Vessel Pump-out Grant ($41,500), and the California Department of Boating and Waterways Grant ($400,000). As explained in the Attachment provided by Ms. Nita Mizushima of the Port, the Port has now proposed that the project be separated into two subprojects, landside improvements and marine improvements, to achieve an anticipated reduction in costs by awarding two separate contracts to contractors with different expertise.

As part of the marine improvements, the Port proposes that the dredging work for this project be done under an existing $1,770,565 contract with Dutra Dredging Company. The Port Commission has approved a modification to the contract with Dutra Dredging to add dredging of Hyde Street Harbor and disposal of material from that dredging.

The proposed release of reserved funds would authorize the Port to expend $260,000 for dredging and disposal work at the Hyde Street Harbor as part of the Hyde Street Fishing Harbor Project.

Budget: The summary budget for the proposed release of reserved funds is as follows:

Disposal of 5,100 cubic yards at Alcatraz @ $14.25 per cubic yard	$ 72,675
Disposal of 2,400 cubic yards at other sites @ $56.50 per cubic yard	135,600
Additional costs to mobilize site	15,000
Subtotal	$223,275
15 percent contingency	$ 33,491
Additional costs to load dredged materials into truck	3,500
Subtotal	$ 36,991
Total	$260,266

The Attachment, provided by the Port, also contains additional budget details and explanations for this budget.

Comments:

According to Ms. Nita Mizushima of the Port, the original contract in the amount of $1,770,565 with Dutra Dredging, funded by the Port Capital Budget, was awarded in October of 1998 after a competitive bid process. The Port proposes to authorize Dutra Dredging Company to perform additional dredging work needed for the Hyde Street Fishing Harbor under the existing contract with Dutra Dredging Company, rather than issuing another invitation for bids, because the Army Corps of Engineers requires the Port to complete such dredging work by November 30, 1999. The Port expects the Army Corps of Engineers to reduce or prohibit dredging work in the Bay prior to the herring season, from December of 1999 through March of 2000. Ms. Mizushima states that the EIR report has been approved and the necessary permits have been obtained to perform the dredging work.

Recommendation:

Approve the proposed release of reserved funds.

PORT OF SAN FRANCISCO

MEMORANDUM

To: Severin Campbell

From: Nita Mizushima

Date: September 30, 1999

Subject: Hyde Street Harbor Project, Contract 2656
Request for Release of Funds – Supporting Data

This memo is in response to your questions regarding Hyde Street Harbor (HSH). My responses are as follows and as attached:

1. **What is the present cost estimate for HSH? And what was the range of bids?**

The project had recently been advertised for bids. The range of bids were as follows:

Peak Engineering	$5,017,740
McKee Corp	$5,060,447
Valentine	$6,096,089
Engineer's Estimate	$3,863,500

(The bids were rejected as the available funding was insufficient.)

The Port is currently performing Value Engineering on the project and re-packaging with the following goals in mind:

- Maintain project momentum and commitment to community
- Save costs by revising the scope of the project while still meeting our commitment to the community.

The sources of funding is as follows:

Fund Type	Funds Available for Construction
Cal Boating Loan (on reserve)	$3,266,982
Port Capital Plan	$ 473,000
Cal Boating Vessel Pump out grant	$ 41,500
Cal Boating Grant	$ 400,000
Total	$4,181,482

2. **What is the estimated cost of the landside project vs marine side project if it is split into 2 parts?**

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The split between the two "scopes" of the project on the original project was approximately 50/50. The Port anticipates that the a costs savings will result with the following actions:

- Split the contract to marine vs landside. In typical contracts, the prime contractor has the expertise in the major portion of the work and brings in subconsultants for other portions. With each subconsultant, there is additional mark-up of overhead and profit. By eliminating the additional tier on 50% of the work, it is hoped that we can reduce the markup applied.
- Separate dredging scope. The dredging of the marina is necessary today due to the potential changes in the permit requirements in the upcoming Herring season. With the decision to reject all bids, it was prudent to extract the dredging component and find a feasible, more timely alternative. The existing dredging contract was a competitive alternative as shown on the comparison (attached).
- Value Engineering. Once the decision to reject all bids was made, we found an opportunity to value engineer the project and save scope. We plan to use an existing adjacent structure to house some of the facilities that were originally shown to be housed in a new structure to be built as part of the project. The existing facility was not previously available to us during the earlier part of the design.
- Split/phase work. Once it was determined that modifications to the landside portion of the project was needed, the Port felt that it was even more important to divide the work into a marine and landside package in order to keep the momentum of the project going and to demonstrate to the community that we were making progress on the work.

3. **Amount of the existing Dutra Contract? Funding source? Other bids?**

   - Existing Dutra contract is 1,770,565.
   - The funding is Port Capital.
   - One other bid was received on the original contract from Manson. Total bid was 63% higher.

4. **Dredging costs and comparison:**

   I have attached a comparison of the rates bid for the Hyde Street Harbor dredging in June.

5. **Range of rates for upland disposal?**

   The rate will no longer vary and will be a fixed \$56.50. Since the original memo was written, the materials to be dredged have been further tested and determined to be suitable for a Class III landfill. Previously, we were unsure as to whether the site would need to be a class II or class III. The type of landfill was greatly impacting the price. At this point, the contractor has committed to dispose of the materials at the \$56.50 negotiated. Dumping at Alcatraz is permitted for a limited quantity as well as material content. Materials unsuitable for in-bay disposal are not necessarily considered as class II landfill materials (not hazardous or toxic) but are tested to verify appropriate disposal sites.

6. **The mobilization costs for the Hyde Street Harbor are due to the following:**

   - They had to mobilize two dump scows from southern California and re-outfit the dumps scows to comply with permit restrictions.

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- They also had to set up a small derrick barge DB3 to perform the initial dredging operations as their main dredge, DB24, was committed to other work. Then the DB3 and the dump scows had to be towed to the San Francisco dredge site.

At this time, the demand for dredging is extremely high (due to season as well as other dredging projects in the Bay Area). The dredging contractor has had to also pull labor from as Florida to man the project. The mobilization costs of $15,000 cover these costs. Additionally, please note the following comparison of mobilization costs:

Contract	Mobilization Costs as % of Contract
Dutra (Original Contract)	9.8%
Hyde Street Harbor	7.2%

7. **How was the contingency of 15% determined?**

For typical construction contracts, a contingency of 10% is used. However, with dredging and other "underground/water" work, it is sometimes more difficult to determine the exact quantities. With dredging, the area to be dredged is constantly shifting over time due to sediments being carried by wave action, etc. A hydrographic survey will be performed immediately prior to the dredging operation and another will be taken immediately after the dredging to determine the difference in the quantities removed. For this reason, we are using a higher than typical contingency.

8. **What is the breakdown the additional cost for Port loading?**

The cost of $3,500 was estimated for the rental of a loader/backhoe to facilitate the loading of the equipment. This is only an estimate based upon the anticipated cubic yards of material, the duration of the loading operation and need for the equipment and the availability of the rental equipment.

I hope that this information is helpful. Please letme know if you have any further questions. I am under the assumption that this memo will suffice to use as supplementary information for the report. If not, please let me know so that I may provide the information in a different format.

I apologize for the delay in providing you this information.

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Hyde Street Harbor
Dredging

14-Sep-99
NCM

Per Change Order 3:

Provide dredging and disposal of sediments at Hyde Steet Harbor in accordance with drawing #HYDE98.DWG dated 14 July 99 (2 sheets) and applicable provisions of Contract No. 2656.

A.	Approximately 5,100 cy to be disposed at Alcatraz at a cost of $14.25 per cy.	$72,675.00
B.	Approximately 2,400 cy to be disposed upland at a cost of $56.50 per cy.	135,600.00
C.	Additional cost to mobilize to this site.	15,000.00
	Total:	$223,275.00
	15% contingency due to variations in quantity and location of potential disposal site:	$33,491
	Additional costs due to Port loading materials into trucks after material drying at Pier 94:	$3,500
	Grand Total:	**$260,266.25**

Projected MBE/WBE participation will be in trucking (approx. 60% of the upland disposal costs):	$ 81,360.00
% of change order of anticipated MBE/WBE participation:	31%
Contract Goals:	
MBE	2%
WBE	1%

Dredging Related Cost Summary

	Total Estimated c.y.	Peak Engineering	McKee Corp.	Valentine	Average of Bids	Dutra Dredging Contract	Total Est. Cost (Bid Avg)	Total Est. Cost (Dutra)	Difference
Dredging Type	5100	$ 20.00	$ 10.00	$ 10.00	$13.33	$ 14 25	$68,000.00	$ 72,675.00	$ (4,675.00)
Upland Disposal	2400	$ 80.00	$ 41.00	$ 125.00	$82.00	$ 56.50	$196,800.00	$ 135,600.00	$ 61,200.00
Alcatraz							$ 264,800.00	$ 208,275 00	$ 56,525.00

Item 8 – File 99-1761

Department: Juvenile Probation

Item: Resolution concurring with the Controller's certification that intake and shelter services to status offenders can continue to be practically performed by a private contractor at a lower cost than if work were performed by City and County employees.

Services to be Performed: Shelter and intake services to status offenders

Description: The Juvenile Probation Department first entered into a contract with Huckleberry Youth Programs (formerly known as Youth Advocates, Inc.) in 1984 to provide a community-based central receiving facility for status offenders. Status offenders are youth who have run away from home, have a history of truancy, or are in other ways out of their parents' control, but who are not in the criminal justice system. Prior to the contract with Huckleberry Youth Programs to provide the community-based central receiving facility, status offenders were retained in Juvenile Hall.

In 1989 the Juvenile Probation Department expanded the services provided by the contract with Huckleberry Youth Programs to include intake and shelter services for status offenders. Huckleberry Youth Programs currently provides a 24 hour short-stay shelter and needs assessment for youth, with the goal of reuniting youth with their family or providing appropriate longer-term placement.

Charter Section 10.104 provides that the City may contract with private firms for services which can be practically performed for a lower cost than similar work by City and County employees.

The Controller has determined that contracting for the shelter and intake services for status youth offenders for FY 1999-2000 would result in estimated savings as follows:

City-Operated Service Costs	Lowest Salary Step	Highest Salary Step
Salaries	$ 782,778	$ 971,912
Fringe benefits	218,663	248,394
Total	$1,001,441	$1,220,306
Contractual Service Cost*	668,755	689,618
Estimated Savings	$ 332,686	$ 530,688

*Includes (a) the current contractor's cost of $622,710 and (b) 1.0 FTE 8442 Senior Probation Officer in the Juvenile Probation Department, at a Step I annual cost of $46,045, totaling $668,755 ($622,710 plus $46,045) and a Step 5 annual cost of $66,908, totaling $689,618 ($622,710 plus $66,908) to monitor the contract.

Comments:

1. Ms. Cheyenne Bell of the Juvenile Probation Department reports that the Department first entered into a contract with Huckleberry Youth Programs, Inc. in 1984 to provide a central receiving facility for status offenders, and that the contract with Huckleberry was expanded in 1989 to include shelter and intake services. Therefore, the central receiving facility was first certified under Proposition J (Charter Section 10.104) in 1984. The expanded shelter and intake services contract was first certified by the Controller as being less expensive than if the services were performed by City employees in 1989, and have been continuously provided by an outside contract since then.

2. As noted above, the Contractual Service Cost used for the purpose of the analysis is based on (a) the current contractor's cost of $622,710 to provide shelter and intake services, and (b) the salary and fringe benefits of 1.0 FTE 8442 Senior Probation Officer.

The contractor's cost to provide shelter and intake services in FY 1999-2000 of $622,710 is 4.8 percent more than the FY 1998-99 cost of $594,405. Ms. Bell states that the increase contract cost is the result of a Cost of Living Adjustment in the contract.

3. According to Ms. Bell the resolution is retroactive to July 1, 1999, because the contract with Huckleberry Youth Program commenced on that date, but delays in processing the contract resulted in a delay in bringing the proposed resolution to the Board of Supervisors.

4. The Controller's supplemental questionnaire with the Juvenile Probation Department's responses is shown in the Attachment to this report.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Juvenile Probation Department

CONTRACT SERVICES: Shelter and Intake Services for Status Offenders

CONTRACT PERIOD: July 1, 1999 through June 30, 2000

1) Who performed the activity/service prior to contracting out?

Juvenile Hall Counselors:
3- 8316 Assistant Counselors *7- 8320 Counselors, Juvenile Hall*
1- 8318 Counselor II

2) How many City employees were laid off as a result of contracting out?

None, Eleven (11) positions were cut from the budget, but no permanent staff were laid off.

3) Explain the disposition of employees if they were not laid off.

Permanent employees moved to positions In other parts of Juvenile Hall formerly filled by the Department's as-needed cadre.

4) What percentage of City employees' time is spent on services to be contracted out?

50 %	*of 1- 8414*	*Supervising Probation Officer*	*100 %*	*of 2 - 8318*	*Counselors II*
100 %	*of 1- 8442*	*Senior Probation Officer*	*100 %*	*of 14 - 8320*	*Counselors*
100 %	*of 3- 8440*	*Probation Officers*			

5) How long have the services been contracted out? Is it likely to be a one-time or an ongoing request for contracting out?

The contract with Huckleberry Youth Programs, Inc. (formerly Youth Advocates, Inc.) for a central receiving facility was first entered into by the Juvenile Probation Department, February 1, 1984. The contact expanded to include shelter and intake for status offenders on April 1, 1989. Clearly, this agreement is ongoing and the Department expects to continue to contract out to obtain these services.

6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

The first year for the central receiving facility contract was FY 1983/84. The first year for the expanded contract was FY 1988/89. This contract has been renewed each subsequent year.

7) How will the services meet the goals of your MBE/WBE action plan?

Huckleberry Youth Programs, Inc. is a non-profit agency therefore, does not fall within the purview of MBE/WBE goals. Additionally, extensive outreach was accomplished at the Request for Qualifications staging seeking potential MBE/WBE providers.

Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

There is no stipulation in the body of the contract or within the scope of services requiring the contractor to provide health benefits.

The contractor's answers to HRC form 12B -101 (Declaration: Nondiscrimination in Contracts and Benefits attests they offer health benefits to their employees.

9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

The contractor's answers to HRC form 12B -101 (Declaration: Nondiscrimination in Contracts and Benefits) attests they offer health benefits to their employees with spouses

Additionally, they indicate they offer the same health benefits to the domestic partners of their employees.

Department Representative: Cheyenne Bell

Telephone Number: 753-7813. FAX 753-7715

jmo:c:99_work:corresp:prJqu99.doc

Item 9 – File 99-1481 (See also addendum dtd 10/5/99)

1. This is a hearing to consider the City's parking collection system contract with PRWT Services, Inc.

2. In July 1998 the Board of Supervisors approved a resolution authorizing the Department of Parking and Traffic (DPT) to execute a four year contract between the City and PRWT Services Inc. (PRWT) for an automated parking citation processing and collections system, including handheld ticket writing devices. The estimated cost of the four-year contract with PRWT was $20,903,740 for citation processing fees, to be paid from the DPT's General Fund budget. In addition, PRWT will receive a vendor fee of 34 percent of all "special collections" (discussed below) over the term of the contract. The DPT estimated that total special collections vendor fees payable to PRWT would amount to $3,748,500, for a total estimated cost of $24,652,240 ($20,903,740 for citation processing fees plus $3,748,500 in special collections vendor fees).

The contract has three major system components:

- A hand-held parking citation issuance and reporting system, consisting of electronic hand-held ticket writers, personal computers, supporting software, networking capabilities, and support services;
- A parking citation processing system to serve as a central repository of information about citations issued and consisting of a variety of computer and hardware, software, management and support services; and
- Support services of an Out-of-State and Special Collections Program, which will pursue collections from vehicles registered out of State and from motorists that have relocated, transferred vehicle ownership, or are otherwise difficult to collect.

According to DPT, the contract with PRWT would lead to improved revenue collection, expanded collection activities, improvements in the efficiency of DPT operations, increases in the level of customer service, and additional savings from the transfer of certain DPT citation processing costs to PRWT. DPT estimated that the collection rate for parking citations would increase by two percent, from 69 percent to 71 percent, yielding increased revenues to DPT of $1,227,960 in the first contract year. Special collections activities to be performed by PRWT were expected to yield additional revenues to DPT of $3,811,500 (net of a 34 percent PRWT fee for special collections) in the first contract year.

Therefore, total estimated increased revenues to the City in the first year were estimated to equal $5,039,460 ($1,227,960 plus $3,811,500). Additionally, the PRWT contract was estimated to yield reduced expenditures, because PRWT was to provide services previously performed by DPT, of $1,300,000 annually (including $1,000,000 in DPT expenditure reductions and $300,000 in Treasurer-Tax Collector expenditure reductions for the cost of a "lock box" for the deposit of citation collections) for total increased revenues and reduced expenditures of $6,339,460 in the first full year of contract operation. Total citation processing fees payable to PRWT were estimated to be $5,368,060 for the first year of operation, resulting in a net estimated benefit to the City of $971,400 ($6,339,460 less $5,368,060).

3. In the Budget Analyst's Performance Audit of DPT, dated April 1999, we noted that the PRWT contract contained no guarantees that projected net revenue increases to the City will be achieved. If the PRWT fails to meet the increased revenue collections, the result could either be a) a reduced expected net gain to the City, b) no net gain to the City, or c) even a reduction in net revenues, yet PRWT would still be paid its full contact amount, estimated to be $24,652,240 over the four-year contract period (including $20,903,740 for citation processing and $3,748,500 for special collection vendor fees). Therefore, the Budget Analyst recommended that contractor performance be closely monitored to permit ongoing evaluation and to formulate a basis for continuation or renewal of the contract.

Our report contained three recommendations concerning the PRWT. These recommendations are shown below followed by the response to each (in italic text) as contained in a memo from DPT to the Board of Supervisors' Audit and Government Efficiency Committee dated May 18, 1999.

- DPT should compile the necessary data and develop monthly and annual reports providing comparisons with pre-PRWT contract performance, as measured by the number of citations issued, the number collected and overall rates of collection.

  DPT Response: The PRWT technology has helped the Department improve its collection rate. While the number of tickets issued has remained constant pre-PRWT and post-PRWT (roughly 2.2 million per year), the rate of collection has increased by 14 percent since the new system was implemented.

  Note: No data was provided by DPT to support the statement that collection had increased by 14 percent. DPT now reports that for a four month period in FY 1998-99, citation revenue had increased by 14 percent compared to the same period in FY 1997-98.

- DPT should develop similar monthly and annual reports providing comparisons for out-of-state and special collection revenues.

  DPT Response: DPT will do this.

- DPT should monitor and evaluate improvements resulting from increased enforcement (such as identification of stolen and abandoned vehicles and parking "scofflaws") and improvements to customer service (reductions in time and effort responding to citizen inquiries, more efficient and timely service to citizens paying or protesting citations, etc.).

  DPT Response: DPT is making a strong effort to improve its customer service. The Department is monitoring customer service improvements from the PRWT contract, such as quicker and more comprehensive responses to letters and phone calls. We will also be able to monitor identification for stolen and abandoned vehicles with the new handheld computers.

4. In a memo to the Finance Committee, dated October 1, 1999, shown as an Attachment to this report, Ms. Julia Dawson, DPT's Deputy Director of Administration and Finance, reports that the Department converted to the new collections system on November 16, 1998. DPT reports that from July 1998 to November 1998, the Department collected an average of $23.02 per citation issued, while from December 1998 to June 1999, it collected an average of $27.47 per citation issued. DPT therefore calculates that the PRWT contract generated an amount equivalent to $1,970,736 annually in additional revenues, exceeding their first year estimate of $1,227,960 by $742,776.

As discussed below, the Budget Analyst notes that the DPT's calculation of improved citation revenue due to the PRWT contract of $1,970,736 is not based on a documented improvement in the collection rate. Instead, this revenue improvement is based on the assumption that the ratio of revenue collected to total citations issued has increased since implementation of the PRWT contract.

DPT reports that in FY 1998-99 PRWT was paid $3,704,261 for citation processing services.

Ms. Dawson's memo also advises that to date, DPT has not authorized PRWT Services to start the special collections program, which was expected to result in increased revenue to the City of $3,811,500 in the first year. According to Ms. Dawson, this is because (a) at the request of the Board of Supervisors, the Department enacted an amnesty program (allowing persons with outstanding citations to pay such citations at the original fine amount with no additional penalties) which ended in March 1999; (b) difficulty converting parking citation data from DPT's old system to the PRWT system; and (c) Concerns over customer service. Upon further inquiry by the Budget Analyst, DPT advises that the out-of-

state special collections program will be implemented in November 1999 and the in-state special collections program will commence early in the year 2000.

In response to an inquiry from the Budget Analyst, Ms. Dawson provided data that showed that DPT had reduced budgeted expenditures by a total of $1,060,660 as of the completion of FY 1998-99. DPT states that their FY 1999-2000 budget has been reduced by $1,277,755 as a result of the PRWT contract. In addition, according to DPT, the Treasurer-Tax Collector no longer incurs the $300,000 annual cost of a lock-box for citation collections. Total reduced expenditures for DPT and the Treasurer-Tax Collector therefore amount to $1,360,660 in FY 1998-99 ($1,060,660 for DPT and $300,000 for the Treasurer-Tax Collector) and $1,577,755 for FY 1999-2000 ($1,277,755 for DPT and and and $300,000 for the Treasurer-Tax Collector). As reported previously, the DPT originally estimated that annual reduced expenditures would amount to $1,300,000 for the DPT and the Treasurer-Tax Collector.

The following table provides a comparative analysis of PRWT financial results based on the original estimates provided by DPT and recent information for PRWT contract operations during seven months of FY 1998-99, from December 1, 1998 through June 30, 1999.

	DPT's Estimate of the Benefits to the City for First Year of Operation of the PRWT Contract	DPT's Reported Actual Results From December, 1998 through June of 1999 as a Result of the PRWT Contract.
Increased Collections	$ 1,227,960	$ 1,970,736
Reduced Expenditures	1,300,000	1,360,660
Special Collections Revenue	3,811,500	0
Citation Processing Fees Paid by the City to PRWT	(5,368,460)	(3,704,261)
Total Estimated Benefit to the City	$ 971,400	
Total Actual Loss to the City		($ 372,865)

DPT states that the delay in implementing special collections discussed above and explained in the Attachment to this report will not result in a reduction in anticipated revenues to the City, because all estimated special collection revenue are expected to be realized prior to the expiration of the four-year term of the DPT contract.

5. As stated above, DPT reports that from July 1998 to November 1998, the Department collected an average of $23.02 per citation issued, while from December 1998 to June 1999, it collected an average of $27.47 per citation issued. Using these figures, DPT calculates that in FY 1998-99 the PRWT contract generated $1,970,736 in additional parking fine revenues, exceeding their estimate of $1,227,960 by $742,776. The parking fine revenues for FY 1998-99 include $703,917 in revenue resulting from the parking citation amnesty program approved by the Board of Supervisors in December of 1998. DPT estimates that the amount of total penalties waived as a result of the amnesty program was $776,574.

DPT's calculation that between December 1, 1998 and June 30, 1999 the PRWT contract generated $1,970,736 in actual additional parking fine revenues is based upon the total amount of fines collected divided by the total number of citations issued during the same time period. However, this method of estimation did not take into account that: (1) citation fines can be of varying values, (2) some of the fines paid during the period will be for tickets issued prior to that time period, and (3) some of the fines for citations issued during the period will be paid after that time period. Therefore, it can not be determined if the actual collection rate, as measured by the percentage of total citations paid or the percentage of potential parking citation revenue actually collected, has improved as a direct result of PRWT's contract operations.

DPT had earlier reported that its collection rate (as measured by the percentage of total citations paid) prior to the contract was 69 percent and estimated that the collection rate would increase by 2 percent, to 71 percent, in the first year of the contract and increase to 77 percent by the fourth year of the contract. DPT reports that the collection rate under the old system was estimated by taking a random sample of citations and determining what percentage of those citations had been paid. According to DPT, the new system under the PRWT contract has the capability to provide the collection rate for all citations issued and therefore using a sampling procedure to determine the collection rate will no longer be necessary. However, DPT advises that the collection rate since implementation of the PRWT contract cannot be precisely determined until the new system has been in place for at least a year. A minimum of a full years' worth of data is required because some fines are not paid for one or more years, according to DPT.

Budget Analyst Overall Conclusions

In summary, DPT previously, in July, 1998, estimated that the PRWT citation processing contract would produce a net benefit to the City of $971,400 in the contract's first year of operation. Based on DPT's calculated revenue improvement in relation to citations issued during FY 1998-99 of $1,970,736, plus reduced budgeted expenditures of $1,360,660, less processing fees paid by the City to PRWT of $3,704,261 for the period of December of 1998 through June of 1999, the City has actually lost $372,865. However, the Budget Analyst notes that this loss has been incurred as a result of the fact that DPT has delayed the commencement of Special Collections Program by PRWT.

For the full four-year period of the PRWT contract, DPT's original estimated net benefit to the City was $3,852,360. This benefit was predicated on the assumption that the City would realize, over the four-year term of the PRWT contract, additional revenue from PRWT's special collections totaling $7,276,500. As previously noted, the Special Collections Program will pursue collections from vehicles registered out of State and from motorists that have relocated, transferred vehicle ownership, or are otherwise difficult to collect. Therefore, without such special collections revenue, the PRWT contract would actually result in a loss to the City of $3,424,140 ($3,852,360 less $7,276,500) over the four-year term of the PRWT contract. A final conclusion cannot be reached therefore until PRWT begins the Special Collections Program and the City is able to measure the actual benefits of such a program.

Lastly, as discussed above, DPT has not demonstrated that the actual collection rate has improved as a direct result of the PRWT contract. Instead, DPT calculates that revenue improvement in relation to citations issued during FY 1998-99 amounted to $1,970,736. Until final data is obtained regarding the actual collection rate, citation collection performance, as a direct result of the PRWT contract, cannot be accurately determined.

Recommendation

The Budget Analyst recommends that the Board of Supervisors urge the Department of Parking and Traffic to renegotiate the PRWT contract to provide for financial guarantees in order to insure that the cost of the PRWT contract cannot exceed the benefits to the City.

In response to this recommendation, in the Attachment to this report, the DPT instead proposes that the DPT report to the Board of Supervisors six months after implementation the Special Collections Program in order to provide additional revenue information.

SAN FRANCISCO
DPT
DEPARTMENT OF PARKING & TRAFFIC

WILLIE LEWIS BROWN, JR., Mayor
STUART R. SUNSHINE, EXECUTIVE DIRECTOR

City and County of San Francisco

Attachment
Page 1 of 5

MEMORANDUM

To: Honorable Members of the Finance Committee
Board of Supervisors

From: Julia Dawson, Deputy Director, Administration and Finance JP

Through: Stuart R. Sunshine, Executive Director

Subject: File 99-1481 Hearing to Consider Collection Contract

Date: October 1, 1999

On July 22, 1998, the Finance Committee of the Board of Supervisors authorized the Executive Director of the Department of Parking and Traffic to execute a four year contract between the City of San Francisco and PRWT Services, Inc. for an automated parking citation processing and collection system including handheld ticket writers. This contract provides the department with a system that improves our ability to track and process citations, respond more quickly to the public's questions, detect scofflaw and stolen vehicles, and reduce the number of incorrect citations. All of the improvements in this contract were covered by a projected increase in fine revenue and would benefit the general fund by increasing the amount of revenue allocated to the San Francisco Municipal Railway.

Benefits of the Contract

The PRWT contract offers the City many advantages. Through this contract, we have a new citation processing system, a new citation and tow adjudication system, a new boot and tow monitoring system, a new residential parking permit processing system, about 250 new handheld ticket writers and printers, and new computer equipment. In addition, the system offers an abandon vehicle tracking system and a parking meter information system that we intend to implement in the immediate future. All of these programs benefit the citizens of San Francisco because we now offer information to the public more quickly. We have also integrated all of our department's activities and improved our ability to monitor our performance.

We have included a bulleted list below describing in brief the many benefits of the contract.

- Our citation noticing process has become more timely because we are sending notices out daily. We have also started to send second notices, which has increased our collections.

(415) 554-PARK FAX (415) 554-9834 25 Van Ness Avenue, Suite 410 San Francisco, CA 94102-4676

- All DPT staff that use the system have instant access to citation records, images of manually written citations, and towing information, including the Citation Division, Hearing Division, Enforcement Division, Residential Permit Parking, Traffic Engineering, and Administration. The new system allows us to provide much better service to the public.
- Using the new handheld ticket writers, we are able to identify about 100 scofflaws a day on average (individuals who have 10 or more parking citations).
- We will be loading stolen vehicle information into the handheld ticket writers, making it easier for the police to recover stolen vehicles and preventing our officers from writing unnecessary citations.
- The department now has many more reports that it can use to track citation, hearing, boot, and tow information. We currently have 54 reports that we receive in an electronic format, and we have 150 additional available reports that we have not implemented.
- We have significant cost savings in our annual budget that offset the additional cost of our payments per citation processed. We have calculated a total net savings of $1,277,755 between FY 97/98 and FY 99/00 to offset the estimated $5 million in citation processing costs annually

Citation Processing
In the first year of the contract, we projected that the department would issue 2,274,000 parking citations, generate an additional $1,227,960 from an improved collection rate, and collect $3,811,500 from the special collections program. We assumed that our collection rate would improve slowly and that revenue from special collections would help to cover our contractual costs in the first year.

The department converted to the new system on November 16, 1998. From July to November 1998, the department collected an average of $23.02 per citation, while from December to June, the department collected an average of $27.47 per citation. If the department had continued collecting an average of $23.02 per citation, we would have collected $51,571,269 in fine revenue. Instead, the department collected $57,246,266, which is $5,674,997, or 11% more than this estimate. In FY 1998/99, the department paid PRWT $3,704,261 in citation processing costs. Using these figures, we estimate that the City generated a net increase of $1,970,736 in fine revenue as a result of this contract.

Special Collections Program
The special collections program covers old parking citations that the department was unable to collect using its previous computer systems. In the Budget Analyst's report to the Finance Committee on July 22, 1998, the department estimated that it would collect $3,811,500 from special collections in the first year. DPT intended to start the special collections program within a few months of converting the citation data to the new system. To date, the department has not authorized PRWT Services to start the special collections program. We delayed implementation for three reasons, the Board of

Supervisors-requested parking citation amnesty program, the data conversion process and new system implementation, and our concerns over customer service.

Board of Supervisors Parking Citation Amnesty Program
The Board of Supervisors asked the department to enact an amnesty program, giving the public the chance to ask for information on their outstanding citations and to pay for them at the original penalty amount. Our contractor, PRWT Services, agreed to run this program for the City, which delayed the implementation of a variety of systems and placed a strain on the limited resources that were dedicated to data conversion. We received 7,504 requests for amnesty, sent statements covering 44,942 parking citations, and collected $703,917 in fine revenue. We estimate that 28,762 of these citations were paid as part of the amnesty program. Because of the amnesty program, we estimate that the City did not collect $776,574 in penalty revenue.

Data Conversion and New System Implementation
The conversion of the data from the court's parking citation system to the system provided by PRWT Services was extremely difficult. We converted 10,000,000 citation records and combined information from the old Municipal Court system and our Residential Permit Parking system. Many of the citation records were difficult to interpret. We also successfully implemented a variety of new systems in less than six months, including handheld ticket writers, a new boot and tow tracking system, an enforcement management system, Project 20 (a volunteer work and time payment tracking system), a new hearing module, an ad hoc reporting system. All of these systems are connected and data is shared between them. We implemented all of these systems with no discernable impact on our delivery of services to the public. The department was unwilling begin a collections program until it determined that all records were as accurate as possible, that our employees were familiar with the technology, and that we had performed sufficient testing to ensure that all of these systems were working well together.

Customer Service
DPT wanted to ensure that its contractor, PRWT Services, had assembled a highly qualified and responsive team to manage this comprehensive program with sensitivity, accuracy, and professionalism. We felt that we needed our contractor to be adequately prepared to interpret information, answer questions, and serve our customers' needs. Until our contractor has demonstrated its preparedness to the department, we will not move forward with the special collections program.

Summary
While the department has received many benefits from this contract, we recognize that this project was much more difficult than we anticipated when we appeared in front of this committee seeking your approval for this contract. While we have had a slow start, we have also seen our revenues increase 11% since this contract started. We have improved our ability to serve the public and implemented programs that we never had before, from handheld ticket writers to a fully integrated data management system. We have increased citation revenue and decreased expenditures. However, we also recognize

that high standards for the special collections program, which requires our contractor to contact individuals who are potentially unaware that they have outstanding parking citations or who have chosen to ignore their legal obligation to pay the City, has delayed the program. We feel confident that once we start the special collections program next month, this contract will generate the revenues that we originally provided to the Board. In our experience to date, 've have met or exceed all of our financial projections, and we have no reason to believe that the contractor will not succeed. We do not feel that our delay in implementing special collections will ultimately result in lost revenue to the City. Once we begin the program, we are confident that we will meet our revenue projections for the term of the contract.

In response to the recommendation of the Budget Analyst, we believe it is still too early to change the terms of the contract. In our initial budget projections to the Board of Supervisors, the special collections program and the revenues it will generate were an important component of contract implementation. Before we can evaluate the merits of this contract, we need to have all components of the contract in place. The department proposes that we report to the Board of Supervisors six months after the special collections program has started to provide additional revenue information.

Department of Parking and Traffic
Parking Fine Revenue

	1997/98	Citation Issuance		
July	4,426,499	190,714		
August	3,980,947	187,352		
Sept	4,217,985	189,170		
Oct	4,121,784	206,348		
Nov	3,686,729	161,957		
Dec	4,117,395	179,631		
Jan	4,139,767	182,658		
Feb	3,818,256	181,819		
Mar	4,541,630	197,168		
Apr	4,639,762	188,441		
May	4,821,666	167,517		
June	4,252,665	175,219		
Total	50,765,085	2,207,992	$	22.99

	1998/99	Citation Issuance		
July	4,646,319	187,276		
August	4,542,077	189,161		
Sept	4,642,208	202,078		
Oct	4,881,067	211,314		
Nov	3,497,492	175,007		
Dec	4,156,413	171,338		
Jan	3,929,521	182,142		
Feb	4,498,447	184,492		
Mar	7,040,917	205,261		
Apr	5,707,213	179,719		
May	4,799,966	177,480		
June	4,904,625	175,013		
Total	57,246,266	2,240,281	$	25.55
Pre-Conversion Rate Average	4,441,833	192,967	$	23.02
Post-Conversion Rate Average	5,005,300	182,206	$	27.47
Difference of the Average	563,467	(10,761)	$	3.09

Item 10 – File 99-0652

1. This item is a hearing to consider the cost of transferring paramedic services from the Health Department to the Fire Department.

2. The Office of the Sponsor of this item has informed the Budget Analyst that this item should be continued to the call of the Chair.

Recommendation: Continue the hearing to the call of the Chair.

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

Public Library,Gov't Info. Ctr., 5th Flr.
Attn: *Susan Hom*

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 5, 1999

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: Item 9, File 99-1481 – October 6, 1999 Finance and Labor Committee Meeting Pertaining to the PRWT Services Inc. Contract

In the Budget Analyst's report to the Finance and Labor Committee dated October 1, 1999, the Budget Analyst reported that the PRWT contract had resulted in a loss to the City of $372,865 over the seven month period ending June 30, 1999. On Tuesday, October 5, 1999, the Department of Parking and Traffic advised the Budget Analyst that this loss reported by the Budget Analyst stems from an incorrect use of data contained in a Department of Parking and Traffic (DPT) memorandum of October 1, 1999 submitted by the DPT to the Board of Supervisors.

This new advice from the DPT came after the DPT had reviewed our draft report several times. DPT and the Controller's Office have since provided the Budget Analyst with revised parking citation revenue data for FY 1997-98 and FY 1998-99.

Today, the DPT points out that their data now shows that the City derives a net benefit, and not a loss, resulting from the PRWT contract, of $1,868,086. However, the DPT's method of estimating this benefit was based on reported parking citation revenues in relation to parking citations issued, and, as the Budget Analyst previously reported, the DPT's method of estimation does not rely on an actual improvement in the collection rate attained by PRWT through claimed operational improvements.

DPT is now claiming, as noted above, that the PRWT contract results in increased benefits to the City of $1.87 million after the first seven months of operation (December of 1998 through June of 1999), even without any revenues being realized by the City from the Special Collections Program. This DPT calculation of the benefits to the City, over a seven month period, of $1.87 million, compares to DPT's original projection, made in July of 1998, of a $971,000 benefit

over the first full year (12 months) of the PRWT contract. It should be noted that the estimated benefit of $971,000 made by the DPT included over $3.8 million in revenues which were expected to be realized from the PRWT Special Collections Program, a program which has not even started to this day.

The Budget Analyst does not believe that DPT's reported benefit of over $1.87 million for the seven month period ending June 30, 1999, due directly to the PRWT contract, is credible. In response to DPT's revised estimated benefits provided today, the Budget Analyst continues to conclude that the alleged $1.87 million calculated benefit cannot be attributed directly to the PRWT contract for the following reasons:

- As previously reported, DPT has not demonstrated that the actual collection rate has improved as a direct result of the PRWT contract. The DPT's calculation of improved citation revenue due to the PRWT contract is not based on a documented improvement in the collection rate. Instead, this revenue improvement is based on the assumption that the ratio of revenue collected to total citations issued has increased since implementation of the PRWT contract. Until final data is obtained regarding the actual collection rate, citation collection performance, as a direct result of the PRWT contract, cannot be accurately determined.

- Information provided to the Budget Analyst shows that DPT also paid PRWT $306,221 for postage in addition to the $3,704,261 in fees paid by the City to PRWT as previously reported by the Budget Analyst. Therefore, this expenditure of $306,221 would reduce DPT's claimed benefit further to $1,561,865.

- The Budget Analyst notes that the Controller's parking citation revenue records for FY 1998-99 show that the total budgeted revenue of $58,585,191 was not met by actual revenue of $57,268,521, a revenue shortfall of $1,316,670. The Budget Analyst therefore questions the contention that benefits from the PRWT contract have now exceeded original projections when total parking citation revenue fell short of budgeted amounts by over $1.3 million.

For the reasons stated above, the Budget Analyst continues to conclude that the absence of financial guarantees that insure that the cost of the PRWT contract cannot exceed the benefits to the City creates the potential for either a) a reduced expected net gain to the City, b) no net gain to the City, or c) even a reduction in net revenues to the City. The Budget Analyst cannot conclude that the increase in actual Parking Citation Collections of $4,211,687 reported by DPT from FY 1997-98 to FY 1998-99 would not have resulted without the services of PRWT, thus saving the City $3,704,261 in fees paid to PRWT.

BOARD OF SUPERVISORS
BUDGET ANALYST

We therefore continue to recommend that the Board of Supervisors urge the Department of Parking and Traffic to renegotiate the PRWT contract to provide for financial guarantees in order to insure that the cost of the PRWT contract cannot exceed the benefits to the City.

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Stuart Sunshine
Ted Lakey

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA
94102-4689

Wednesday, October 13, 1999 | **10:00 AM** | **City Hall, Room 263**

199

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened 10:09 a.m.

991876 [Asian Art Museum Relocation Bond Rates. Series 1999D]

Supervisor Yee

Motion amending Motion No. M99-115 and fixing definitive principal maturity dates and interest rates for $16,730,000 general obligation bonds (Asian Art Museum Relocation Project), Series 1999D.

10/4/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Laura Bordelon, Mayor's Office of Finance.

AWARDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991828 [Government Funding, Gift to City of Taipei to fund earthquake relief efforts]

Supervisors Teng, Yaki, Kaufman, Bierman, Becerril

Ordinance appropriating $250,000 from the General Fund Reserve for an emergency gift to the City of Taipei to fund earthquake relief efforts, including $200,000 in unrestricted funding and $50,000 in funding for children's services, through the Office of the Mayor, for fiscal year 1999-2000.

(Fiscal impact.)

9/27/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

10/6/99, AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Teng; Victor Tseng, Director General, Taipei's Economic and Cultural Office; Elizabeth Liu, CoChair, S.F./Taipei Sister City; Supervisor Yee; Supervisor Ammiano; Ted Lakey; Deputy City Attorney. Amended to add $50,000 to be used for children's services. Continued to October 13, 1999.

10/6/99, CONTINUED AS AMENDED.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; James Cheung, Taiwan Council; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Bierman, Ammiano, Yee

991756 [Budget Analyst Agreement]

Motion exercising the first option set forth in the agreement for professional Budget Analyst services between the Board of Supervisors and Stanton W. Jones and Associates/Debra A. Newman/Rodriguez, Perez, Delgado & Company Certified Public Accountants/Harvey M. Rose Accountancy Corporation Certified Public Accountants/Mah & Louie Certified Public Accountants - a joint venture, to extend the term of the agreement from January 1, 2000 to December 31, 2001. (Clerk of the Board)

9/27/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Gloria L. Young, Clerk of the Board

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991757 [Vacation of portion of Dow Place to be used for fire truck turnaround, open space/parking in connection with residential project being developed by adjacent property owner, 77 Dow Place Lofts, LLC]

Ordinance ordering the summary street vacation of a portion of the western end of Dow Place; adopting findings pursuant to the California Streets and Highways Code, Chapter 4, Sections 8330 Et Seq. (Public Streets, Highways, and Service Easement Law, Summary Vacation); and adopting findings of conformity with the General Plan and priority policies of Planning Code Section 101.1. (Real Estate Department)

(Categorically exempt from Environmental Review under Class 1 (Minor alteration of existing street/sidewalk) and Class 5 (Minor alteration of land use limitations) of State Environmental Review Guidelines; companion measure to File 991758.)

9/20/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Harry Quinn, Real Estate Department; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991758 [Proposed sale of portion of Dow Place to 77 Dow Place Lofts, LLC at a fair market value of approximately $247,000.00]

Ordinance authorizing the sale of property, a portion of western end of Dow Place, and adopting findings pursuant to Planning Code Section 101.1. (Real Estate Department)

(Companion measure to File 991757.)

9/20/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Harry Quinn, Real Estate Department; Supervisor Yee.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991812 [Reserved Funds, Department of Public Health]

Hearing to consider release of reserved funds, Department of Public Health, (Fiscal Year 1999-2000 Budget), in the amount of $245,000 to fund professional services for the Mission Single Room Occupancy (SRO) Collaborative project. (Department of Public Health)

9/21/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Anne Kronenberg, Department of Public Health; Amy Fishman, Mission Housing Development Corporation.

APPROVED AND FILED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991826 [Federal Funding - Community Development]

Mayor

Resolution approving the amendment to the final proposal and action plan for San Francisco's 1999 Community Development Block Grant Program, Emergency Shelter Grant Program, and HOME Investment Partnership resulting from a three month extension of the existing 1999 program year.

9/27/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Gene Coleman, Mayor's Office of Community Development.

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991852 [Lease and Use Agreement Modifications to allow eight (8) airlines to relocate all international flight operations from Central Terminal Building to a new International Terminal Building as part of the Airport Master Plan Expansion Program]

Resolution approving modifications the terms of Airline/Airport Lease and Use Agreements between the City and various airlines to allow such airlines to relocate international flight operations to the New International Terminal. (Airport Commission)

9/28/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Continued to October 20, 1999.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991853 [New lease and operating agreements to allow eighteen (18) airlines to relocate all international flight operations from Central Terminal Building to a new International Terminal Building as part of the Airport Master Plan Expansion Program]

Resolution approving the terms of lease and operating agreements between the City and various airlines to allow such airlines to relocate international flight operations to the New International Terminal. (Airport Commission)

9/28/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Continued to October 20, 1999.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991412 [Study of Rent Control Ordinance Socio-Economic Effects; Requiring Findings]
Supervisors Brown, Teng

Ordinance amending Administrative Code by adding a new Section 376A to provide that the Residential Rent Stabilization and Arbitration Board shall obtain a neutral comprehensive fact-based socio-economic study of the effects of the Residential Rent Stabilization and Arbitration Ordinance in San Francisco; and providing that, pending completion of the study, any proposed substantive amendment to that ordinance must be supported by independent fact-based findings.

(Adds Section 376A.)

8/16/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 9 15 1999

Heard in Committee. Speakers: In Support: Teresa Gonio.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991413 [Appropriation, $175,000, Rent Arbitration Board Fact-Based Socio Economic Study]
Supervisor Brown

Ordinance appropriating $175,000, Residential Rent Stabilization and Arbitration Board to fund a fact-based socio-economic study of the effects of the San Francisco Residential Rent Stabilization and Arbitration Ordinance (Administrative Code Chapter 37), for fiscal year 1999-2000.

(Companion measure to File 991412.)

8/16/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 9/15/1999

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

981238 [Lease Revenue Bonds, North Beach Parking Garage]
Mayor, Supervisor Yee

Ordinance approving the issuance of Lease Revenue Bonds (not to exceed $8,500,000), of the Parking Authority of the City and County of San Francisco; approving the execution and delivery of a project lease between the Authority, as lessor, and the City, as lessee (including certain indemnification provisions therein); approving a continuing disclosure certificate relating to said Bonds; approving the form and circulation of an official statement relating to said Bonds; authorizing the payment of certain costs of issuance from the proceeds of such bonds; correcting legal title to the property; ratifying previous actions taken in connection with the foregoing matters; and authorizing the taking of appropriate actions in connection therewith.

(Fiscal impact.)

7/27/98, RECEIVED AND ASSIGNED to Finance Committee

1/12/99, FILED PURSUANT TO RULE 5 37

10/4/99, REACTIVATED PURSUANT TO RULE 5 25 to Finance and Labor Committee Superseded by version dated July 29, 1998 from City Attorney, changing Ordinance into Resolution.

Supervisor Yee requested this matter be reactivated See File 991719

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 10:50 a.m.

.254

3/99

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

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October 8, 1999

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: October 13, 1999 Finance and Labor Committee Meeting

Item 1 – File 99-1876

Department: Mayor's Office of Public Finance

Item: Motion amending Motion No. M99-115 and fixing definitive principal maturity dates and interest rates for $16,730,000 General Obligation Bonds (Asian Art Museum Relocation Project), Series 1999D.

Description: On September 29, 1999, the Finance and Labor Committee approved a Motion (No. 99-115) authorizing the award and fixing definitive interest rates for $16,730,000 of City and County of San Francisco General Obligation Bonds for the Asian Art Museum Relocation Project, Series 1999D. However, Ms. Laura Bordelon of the Mayor's Office of Public Finance reports that at the time this Motion was approved, the Department did not submit the required schedule of debt service payments to the Finance and Labor Committee. As a result of this technical oversight, the proposed motion will amend the prior motion to include the debt service payment schedule as Appendix A to the proposed motion, which also identifies the bond maturity dates, principal amounts and interest rates.

Comments: As previously reported by Ms. Bordelon, Salomon Smith Barney was the selected low bidder for the issuance of these bonds, bidding an interest rate of 5.25 percent. Ms. Bordelon also notes that the bond documents allow the City to adjust the debt service so that the payments are essentially equal throughout the repayment period. The proceeds from the sale of these bonds will be used for reconstruction of the old Main Library building, including structural, roofing, electrical, plumbing, heating and ventilation, to prepare for the relocation of the Asian Art Museum.

Recommendation: Approve the proposed amended motion.

Item 2 - File 99-1828

Note: This item was continued by the Finance and Labor Committee at its meeting of October 6, 1999. This ordinance was amended to provide for an additional $50,000 to be designated for Children's services.

Department: Office of the Mayor

Item: Supplemental appropriation of $200,000 from the General Fund Reserve for an emergency gift to the City of Taipei to fund earthquake relief efforts.

Amount: $250,000

Source of Funds: General Fund Reserve

Description: On September 21, 1999, an earthquake measuring 7.6 on the Richter Scale hit approximately 90 miles south of Taipei, Taiwan, collapsing numerous buildings, leaving approximately 2,100 persons dead, and causing enormous damage throughout the country. According to the Office of the Sponsor of the proposed ordinance, the City of Taipei, a Sister City to San Francisco, gave $100,000 to the City of San Francisco for earthquake relief and rebuilding efforts after the Loma Prieta Earthquake in 1989. The proposed ordinance would appropriate $200,000 of General Fund monies to the City of Taipei, Taiwan to assist with their earthquake relief efforts.

Comments: 1. The proposed $200,000 would be coordinated with the local Taipei Economic and Cultural Office, to ensure that these funds go directly to the City of Taipei for earthquake use. According to Ms. Melinda Yee Franklin of the Mayor's Office of International Trade and Commerce, the Taipei Economic and Cultural Office, located at 555 Montgomery Street in San Francisco, is the local diplomatic office for Taipei that is in lieu of a consulate, because the United States government does not have formal relations with the Taiwan government. Ms. Franklin advises that the proposed funds are likely to be used for medical relief, emergency equipment, technical expertise and rebuilding and construction activities, although a specific budget or allocation of how the funds will be spent is not available.

2. According to the Office of the Sponsor of the proposed legislation, in addition to the proposed $200,000 gift from the City of San Francisco, approximately $4 million of other funds have been raised by the local community to be forwarded to Taiwan to assist in their earthquake relief efforts.

3. According to the Office of the sponsor of the proposed ordinance, after the Loma Prieta Earthquake in 1989, in addition to the City of Taipei's $100,000 gift, the City of Osaka gave the City of San Francisco $100,000 and the citizens of Osaka raised another $400,000 for the City's earthquake relief and rebuilding efforts. Ms. Franklin reports that the funds that the City received directly for earthquake relief after the Loma Prieta earthquake in 1989 were deposited into the Mayor's Special Earthquake Relief Fund and expended primarily for municipal infrastructure improvements. The Office of the Sponsor also notes that in 1995, after the Kobe Earthquake in Japan, the City of San Francisco gave $50,000 to San Francisco's Sister City of Osaka for their earthquake relief and rebuilding efforts.

4. On September 27, 1999, the Board of Supervisors approved a resolution (File 99-1775) extending condolences and expressing sympathy and concern for the earthquake victims in Taiwan, urging the San Francisco community to participate in humanitarian aid efforts and directing the Clerk of the Board of Supervisors to forward a copy of the resolution to the Taipei Economic and Cultural Office, the City of Taipei and the Government of Taiwan.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Items 4 and 5 – Files 99-1757 and 98-1758

Department: Department of Public Works (DPW)
Department of Real Estate (DRE)
Planning Department

Items: File No. 98-1757
Ordinance ordering the summary street vacation of a portion of the western end of Dow Place, Assessor's Block 3750, Lot 002, adopting findings pursuant to the California Streets and Highways Code and adopting findings of conformity with the General Plan and priority policies of Planning Code Section 101.1.

File No. 98-1758
Ordinance authorizing the sale of the end portion of Dow Place, at a price of $247,000, and adopting findings pursuant to City Planning Code Section 101.1.

Description: The proposed ordinances would authorize (a) the summary street vacation of a portion of the western end of Dow Place, and (b) the sale of such property to 77 Dow Place Lofts, LLC, a private real estate developer. The Developer is constructing a condominium project adjacent to the subject parcel. According to the Director of Planning the subject parcel, consisting of approximately 1,404 square feet, "would be used for fire truck turnaround radius requirements, open space, and for parking, which are necessary amenities for the future residents of the subject area."

Mr. Zuffo states that the proposed sale price of $247,000 (approximately $176 per square foot for 1,404 square feet) is the same price per square foot that the Developer paid in February of 1998 for the adjacent property, on which the development will be constructed. According to Mr. Zuffo, the proposed sales price of $247,000 represents fair market value based on an appraisal of the subject parcel conducted in late 1998 by the Department of Real Estate.

Comments: 1. As stated in a letter from the Planning Department, the subject parcel is "essentially a soil pile and technically a dead end street, which in its current form can only be used by the proposed project at 77 Dow Place."

2. The Planning Department found that (a) development of the subject area would provide necessary amenities for the future residents of the proposed development, (b) the proposed vacation and sale is in conformity with the General Plan, and (c) the proposed vacation and sale is categorically exempt from Environmental Review. The proposed vacation and sale has been reviewed by the Planning Department for consistency with the Eight Priority Policies of Planning Code Section 101.1.

Recommendation: Approve the proposed ordinances.

Item 6 – File 99-1812

Department: Department of Public Health (DPH)

Item: Release of reserved funds for the Mission SRO (Single Room Occupancy) Collaborative Project to provide fire prevention, tenant outreach, hotel code enforcement monitoring, and emergency planning and response services provided to residents of single room occupancy hotels located in the Mission District.

Amount: $245,000

Source of Funds: FY 1999-2000 General Fund Reserve

Description: During the FY 1999-2000 budget review, the Board of Supervisors appropriated and placed on reserve $245,000, for the Mission SRO (Single Room Occupancy) Collaborative Project, pending the submission of budget details. The subject funds of $245,000 for the Mission SRO Collaborative Project are for the purpose of providing fire prevention and other services for residents of SRO hotels located in the Mission District. The Department of Public Health (DPH) has developed details for the use of the $245,000 appropriated for the Mission SRO Collaborative Project and is now requesting release of those funds.

According to DPH, the $245,000 would be used to fund a professional services contract with the Mission SRO Collaborative for a 12 month term, commencing once the subject funds are made available. The Mission SRO Collaborative consists of three non-profit organizations, the Mission Housing Development Corporation, St. Peter's Housing Committee and the Mission Agenda. DPH advises that the subject funds would be used to provide fire prevention, tenant outreach, hotel code enforcement monitoring, and emergency planning and response for all of the 56 SRO hotels in the Mission District, which represent approximately 2,000 units of housing. Attachment I, provided by DPH, contains additional project details. Attachment II, also provided by DPH, is a list of the 56 SRO hotels and their addresses in the Mission District.

Budget: The total estimated project cost is $245,000 which includes $42,650 for start-up costs and $202,350 for program costs, as follows:

Start-Up Costs		
1.0 FTE Resource Specialist (2 months @ $35,250 annually)	$5,875	
0.5 FTE Director of Supportive Housing (2 mos. @ $38,850 annually)	3,238	
Subtotal		$9,113
Fringe Benefits (approx. 20 percent)		1,824
Office Supplies/Postage		334
Program/Educational (see Comment #2)		666
Consultant/Subcontractor (see Comment #3)		22,000
Fiscal Agent (see Comment #4)		3,713
Equipment (5 computers @ $800 each, 2 fax machines @ $400 each, 1 printer @ $200)		5,000
Total Start-Up Costs		**$42,650**
Program Costs		
1.0 FTE Collaborative Coordinator (10 mos. @ $32,000 annually)	$26,667	
0.53 FTE Resource Specialist (10 mos. @ $35,250 annually)	15,569	
0.3 FTE Director of Supportive Housing (10 mos. @ $38,850 annually)	9,713	
Subtotal		$51,949
Fringe Benefits (approx. 25 percent)		13,038
Office Supplies/Postage		1,667
Printing and Reproduction		2,000
Program/Educational (see Comment #2)		3,333
Consultant/Subcontractor (see Comment #3)		110,000
Eviction Defense Legal Costs		1,800
Fiscal Agent -- (see Comment #4)		18,563
Total Program Costs		**$202,350**
Total Start-Up and Program Costs		**$245,000**

Comments: 1. According to Ms. Anne Okubo of the DPH, a Request for Proposals was not issued for this project. Ms. Okubo advises that the Mission SRO Collaborative, consisting of the Mission Housing Development Corporation, St.

Peter's Housing Committee and the Mission Agenda, was chosen on a sole source basis due to the specialized expertise it offers in providing services to residents of SRO hotels located in the Mission District.

2. Ms. Okubo advises that $666 for start-up costs and $3,333 for program costs, for a total of $3,999, will be allocated to "Program/Educational" activities. Ms. Okubo reports the $3,999 would pay for educational materials and programs for tenant meetings, outreach, tenant counseling, and San Francisco Fire Department workshops on fire prevention.

3. The proposed budget allocates $11,000 for start-up costs and $55,000 in program costs, for a total of $66,000 each to the St. Peter's Housing Committee and the Mission Agenda (who, together with the Mission Housing Development Corporation, make up the Mission SRO Collaborative) for housing counseling and tenant advocacy services. This amounts to total consulting costs of $132,000 ($22,000 in start-up costs and $110,000 in program costs). Attachment III to this report, provided by DPH, contains budget details for the $132,000 budgeted for consulting costs.

4. The proposed budget allocates $3,713 for start-up costs and $18,563 in program costs, for a total of $22,276 (approximately 9 percent of the total contract amount), to fund a fiscal agent to provide accounting, contract monitoring, billing, audit, administrative, office, and personnel matters. According to Ms. Okubo, the market rate for fiscal agents generally ranges from between 10 to 15 percent of the total contract amount. Ms. Okubo advises the Mission Housing Development Corporation, one of the three non-profits which make up the Mission SRO Collaborative, will serve as the project's fiscal agent.

Recommendation: Approve the requested release of reserved funds.

FY 99-00 Board Add Back Funding
Funds Held on Reserve

INITIATIVE TITLE: **Mission SRO Collaborative**

AMOUNT: $245,000

APPROPRIATION STATUS: One time funding

USE OF FUNDS: Professional services

DEPARTMENT CONTACT: Anne Okubo 554-2605

PROGRAM DESCRIPTION: The Mission SRO Collaborative will provide a comprehensive approach to single room occupancy (SRO) hotel fire prevention and community stabilization in the Mission District. The program will concentrate on SRO tenant outreach and community stabilization, SRO/landlord fire safety and prevention organizing campaign, SRO hotel code enforcement monitoring, and SRO emergency planning and response. The program will serve very low-income SRO tenants in the Mission district who are at risk of homelessness because of a lock of support services and because of the unsafe and unhealthy conditions in the SRO hotels.

The program was developed as part of the Emergency Response Policy Coordinating Committee, a multi-agency committee that formed to address the rash of fires that destroyed over 700 SRO units this past year. The program is structured as a partnership between community based organizations and City Departments working with SRO hotels and their tenants.

The Department of Public Health proposes to use an existing contractor, Mission SRO Collaborative to provide these professional services. The SRO Collaborative consists of Mission Housing Development Corporation as the lead agency, St. Peter's Housing Committee, and the Mission Agenda.

Funds will be used to provide:

1) **SRO Tenant Outreach and Community Stabilization.** The pilot program will lay the groundwork for tenant participation in community building and fire prevention by addressing immediate social service needs and developing tenant leadership.

2) **SRO Tenant/Landlord Fire Safety and Prevention Organizing Campaign.** The pilot program will enhance the San Francisco Fire Department's fire prevention efforts by increasing community participation and involving "hard to reach" tenant populations.

3) **SRO Hotel Code Enforcement Monitoring.** The pilot program will improve conditions in SRO hotels and promote permanent tenancy in order to stabilize buildings.

4) **SRO Emergency Planning and Response.** The pilot program will improve coordination among public and community agencies to better prevent and respond to emergencies.

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The Mission SRO Collaborative members will provide the following specialized services to the team:

- **Mission Housing Development Corporation** (MHDC) contributes its expertise in developing and managing quality affordable housing with an emphasis on community building and supportive programs. MHDC will be the lead program and the fiscal agent of the collaborative.
- **St. Peter's Housing Committee** offers multilingual tenant advocacy and counseling and promotes landlord compliance with housing laws.
- **Mission Agenda** organizes and empowers low-income tenants to protect their rights and develops tenant participation and leadership.

Together these agencies contribute established and strong relationships with tenants, landlords, City agencies, neighborhood organizations, and social service providers. Utilizing the Collaborative's expertise and experience in SRO hotel stabilization in the Mission, this pilot program serves as a cost-effective and replicable model for other neighborhoods with a large concentration of SRO hotels – Tenderloin, South of Market, and Chinatown.

Collaborative staff will conduct outreach in all of the 56 SRO hotels in the Mission District which represent approximately 2000 units of housing. Of these, the Collaborative will identify 20 target hotels to conduct more extensive outreach and support services. Outreach efforts will include street outreach, "door knocking," mailings, phone calls, and distributing flyers and information materials. The Collaborative will train and employ 5 Tenant Peer Advocates to assist Collaborative staff in the outreach and support service activities. Bilingual staff and Spanish translation will be available.

Services will be provided at the three Collaborative offices, Mission Housing Development Corporation, St. Peters Housing Committee, and Mission Agenda, at the SRO hotels, and at community events and workshops.

Regular weekly Collaborative team meetings will be conducted with representatives from MHDC, SPHC, and Mission Agenda. Broader quarterly meetings will be held to assess the progress of the pilot program, and to plan for the upcoming quarter. The Collaborative will work closely with a broad network of service providers and community organizations, including San Francisco Safety Awareness for Everyone (SAFE), which provides in-kind community safety and security services. The Collaborative will also maintain close working partnership with City Departments such as the Department of Public Health, San Francisco Fire Department, the City Attorney's Code Enforcement Task Force, Department of Human Services, Department of Building Inspections, and the Office of Emergency Services.

Prior to commencing services, the Colloborative will incur start-up costs to:

- Hire and train new staff and set up new systems;
- Meet with the San Francisco Fire Department to establish a cooperative working relationship;
- Organize and facilitate pilot fire prevention workshop;
- Evaluate effectiveness of workshops; and
- Provide tenant outreach and counseling.

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The budget is as follows:

Service	Clients / Month	No. of Units	Cost Per Unit	Total Cost
Tenant outreach	50	4,000	$ 20.24	$ 80,940
Tenant stabilization	100	1,000	40.47	40,470
Community programs	30	20	4,047.00	80,940
Subtotal				$ 202,350
Start-Up				42,650
Total				$ 245,000

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Department of Public Health
Mission SRO Collaborative - Fire Suppression
SRO Hotels

Address	Name of Hotel
1906 Mission St.	---
1939-1943 Mission St.	Grand Southern
2026-2030 Mission St.	Union
2032-2034 Mission St.	Krisna
2040-2042 Mission St.	Radha
2056-2058 Mission St.	Westman
2060-2062 Mission St.	Amit
2072-2074 Mission St.	---
2080-2086 Mission St.	Thor
2126-2132 Mission St.	---
2020-2022 Mission St.	---
2135-2137 Mission St.	Albert
2165-2169 Mission St.	---
2176-2186 Mission St.	Star
2284-2290 Mission St.	Prita
2280-2282 Mission St.	---
2424-2426 Mission St.	---
2351-2361 Mission St.	El Capitan
2370 Mission St.	---
2419-2429 Mission St.	Sierra
2438 Mission St.	Andora Inn
2477 Mission St.	Aku
2522 Mission St.	---
2697 Mission St.	Norma
2766 Mission St.	Cyrstal
1041 Valencia St.	---
866-870 Valencia St.	---
992-998 Valencia St.	---
663-665 Valencia St.	King's
553-563 Valencia St.	Curtis
524-528 Valencia St.	Crown
443-449 Valencia St.	Sunrise
418-422 Valencia St.	Apollo
401-407 Valencia St.	Royan
3040-3052 Sixteenth St.	Altamont
3032 Sixteenth St.	Ukiah
3159-3161 Sixteenth St.	16th St. Hotel
3055-3061 Sixteenth St.	Eula
3105-3111 Sixteenth St.	Casa Valencia
3143 Sixteenth St.	---
3153 Sixteenth St.	---
2791 Sixteenth St.	All Star
520 S. Van Ness	Mission
215 Fourteenth	---
30 Sycamore	---
1312 Utah	---
94 Duboce	---
1550 Howard	---
179 Julian	---
2901 Mariposa	---
45 McCoppin	---
35 Woodward	Hotel Dolores
3491 Twentieth	---
3560-62 Twentieth	---
3270 Twentyfirst	---
3414 Twentyfifth	St. Alban's

Mission SRO Collaborative Pilot Program Consultant/Subcontractor Budget

St.Peter's Housing Committee	FTE	Salary	Benefits @ 25%		
SRO Tenant Counselor	100%	28,000	7,000	$	35,000
Senior Tenant Counselor	50%	32,000	8,000	$	20,000
Director	20%	40,000	10,000	$	10,000
Total Salaries and Benefits	1.7 FTEs			$	65,000
Program / Educational Supplies				$	500
Office Supplies / Postage				$	500
Total Operating Expenses				$	1,000
Total St.Peter's Housing Committee Budget				**$**	**66,000**

Mission Agenda	FTE	Salary	Benefits @ 25%		
SRO Tenant Counselor	100%	21,000	5,250	$	26,250
Senior Tenant Counselor	50%	21,000	5,250	$	13,125
Total Salaries and Benefits	1.5 FTEs			$	39,375
Stipends (5 Stipended Peer Tenant Advocates at $100/week for 50 wks)				$	25,000
Mission Agenda portion of office rent at $100/month				$	1,200
Program / Educational Supplies				$	225
Office Supplies / Postage				$	200
Total Operating Expenses				$	26,625
Total Mission Agenda Budget				**$**	**66,000**

Item 7 - File 99-1826

Department:	Mayor's Office of Community Development (MOCD)
Item:	Resolution approving an amendment to the Final Proposal and Action Plan for San Francisco's Community Development Block Grant Program, Emergency Shelter Grant Program, and Home Investment Partnership Program resulting from a three-month extension of the existing 1999 program year.
Amount:	$3,920,955
Source of Funds:	Community Development Block Grant unexpended balances from 1996, 1997 and 1998 totaling $503,000 and program income funds from the San Francisco Redevelopment Agency and from U.S. Department of Housing and Urban Development Action Grants, totaling $3,417,955.
Description:	The proposed resolution would authorize an amendment to the City's 1999 Community Development Block Grant Program, including the Emergency Shelter Grant Program, and the HOME Investment Partnership Program, extending the program year from March 31, 1999, for three months, to June 30, 2000, to make the term of the program consistent with the City's fiscal year, July 1 to June 30. According to a memorandum from the Mayor's Office of Community Development, dated September 24, 1999, making the term of the Community Development Block Grant Program consistent with the City's fiscal year will enhance coordinated planning across departments, and will allow the Citizen's Committee on Community Development to have access to the actual HUD allocation figures, instead of using estimates.
Comments:	1. The 1999 Community Development Block Grant Program of $25,210,055, the Emergency Shelter Grant Program of $891,000 and the Home Investment Partnership Program of $7,077,000, or a total of $33,178,055 for all three programs, was approved by the Board of Supervisors on February 17, 1999 (File Numbers

99-0078, 99-0079 and 99-0049). According to Mr. Roger Sanders of the MOCD, the cost of extending the program year by three months was estimated by dividing the budgets of the programs in question by twelve, to arrive at a monthly cost. and multiplying the resulting monthly cost by three to arrive at a cost of a three-month extension. Attachment I, provided by MOCD, details the estimated cost of extending each program. Mr. Sanders reports that the final cost of extending the program year will likely be less, after MOCD finishes negotiating extensions of each program with the individual program providers.

2. Attachment II is a memorandum provided by Mr. Sanders explaining the circumstances of the availability of the unexpended balances that are being used to extend the 1999 Community Development Program for three months.

Recommendation: Approve the proposed resolution.

Mayors Office of Community Development and Mayor's Office of Housing
1999 CDBG, ESG and HOME Proposed Expenditure Schedule for July 1st - June 30th Program Year Page 1 of 3 9/24/99 2:42 PM

RFP	Pgm	Mtx	Agency	FY99	1/12th	3 Months	Comment
			Housing Program Administration				
	HPA	14H	Asian Neighborhood Design	316,200	26,350	79,050	
	HPA	14H	Bernal Heights Neighborhood Center	248,800	20,733	62,200	
	HPA	14H	Chinatown Community Development Center	381,761	31,813	95,440	
	HPA	14H	Community Design Center	115,000	9,583	28,750	
	HPA	14H	Community Housing Partnership	96,085	8,007	24,021	
	HPA	14H	GP/TODCO, Inc.	191,713	15,976	47,928	
	HPA	14H	Housing Conservation & Development Corporation	270,821	22,568	67,705	
	HPA	14H	Mission Housing Development Corporation	359,300	29,942	89,825	
	HPA	14H	Tenderloin Neighborhood Development Corporation	288,000	24,000	72,000	
			Public Facility Improvement				
	PFI	03	SF Conservation Corps	1,067,715		180,000	Project Request
	PFI	03	SF League of Urban Gardeners	310,500	25,875	77,625	
			Public Services				
	PS	05H	African Immigrant and Refugee Resource Center	66,600	5,550	16,650	
	PS	05H	AIDS Benefit Counselors	30,000	2,500	7,500	
	PS	05C	AIDS Legal Referral Panel	39,500	3,292	9,875	
	MEA	05D	Allen Community Development Corporation	100,000	8,333	25,000	
	PS	05D	Ark of Refuge	70,000	5,833	17,500	
	PS	05C	Asian Law Caucus, Inc.	55,500	4,625	13,875	
	PS	05G	Asian Women's Shelter	31,500	2,625	7,875	
	PS	05C	Bar Association of SF/Volunteer Legal Services	30,000	2,500	7,500	
	ED	05H	Bay Area Video Coalition	150,000	12,500	37,500	
	PS	05C	Bayview Hunters Point Foundation (Community Defender)	146,414	12,201	36,604	
	PS	05H	Bayview Hunters Point Network For Elders	32,830	2,736	8,208	
	PS	05D	Booker T. Washington Community Service Center	60,900	5,075	15,225	
	PS	05H	BRAVA! for Women in the Arts	47,000	3,917	11,750	
	PS	05L	CAHEED	58,192	4,849	14,548	
	PS	05M	California Advocates for Nursing Home Reform	23,000	1,917	5,750	
	PS	05H	Career Resources Development Center	102,842	8,570	25,711	
	PS	05D	Career Resources Development Center	40,000	3,333	10,000	
	PS	05D	Catholic Youth Organization/Mission Day Care	61,325	5,110	15,331	
	PS	05H	Central American Resource Center (CARECEN)	28,468	2,372	7,117	
	PS	05D	Central City Hospitality House	48,416	4,035	12,104	
	PS	05H	Charity Cultural Services Center	100,000	8,333	25,000	
	PS	05D	Chinatown Youth Center	37,676	3,140	9,419	
	PS	05H	Chinese for Affirmative Action	100,000	8,333	25,000	
	PS	05H	Chinese Newcomers Service Center	30,927	2,577	7,732	
	PS	05B	Community Alliance for Special Education (CASE)	25,000	2,083	6,250	
	PS	05G	Community United Against Violence	26,700	2,225	6,675	
	PS	05	Compass Community Services	36,600	3,050	9,150	
	PS	05G	Donaldina Cameron House	23,911	1,993	5,978	
	PS	05D	Ella Hill Hutch Community Center	176,500	14,708	44,125	
	PS	05H	Filipino-American Council of SF	50,000	4,167	12,500	
	PS	05H	Glide Foundation	56,000	4,667	14,000	
	PS	05D	HAPPY (Haight Ashbury Play Program for Youth)	35,000	2,917	8,750	
	PS	05B	Hearing Society for the Bay Area, Inc.	20,000	1,667	5,000	
	PS	05D	Horizons Unlimited of SF	61,326	5,111	15,332	
	PS	05D	Hunters Point Boys & Girls Club	20,000	1,667	5,000	
	PS	05D	Hunters Point Community Youth Park Foundation	172,144	14,345	43,036	
	PS	05J	Independent Living Resource Center of SF	60,000	5,000	15,000	
	PS	05D	Ingleside Community Center	68,500	5,708	17,125	
	PS	05C	Instituto Laboral de la Raza	68,000	5,667	17,000	
	PS	05H	Jewish Vocational Services	60,000	5,000	15,000	
	PS	05A	John W. King Senior Center	125,000	10,417	31,250	
	PS	05D	Korean Center, Inc.	73,000	6,083	18,250	
	PS	05G	La Casa de las Madres	52,000	4,333	13,000	
	PS	05C	La Raza Centro Legal	156,800	13,067	39,200	
	PS	05D	Larkin Street Youth Center	25,000	2,083	6,250	

Mayors Office of Community Development and Mayor's Office of Housing

1999 CDBG, ESG and HOME Proposed Expenditure Schedule for July 1st - June 30th Program Year Page 2 of 3 9/24/99 2:42 PM

RFP	Pgm	Mtx	Agency	FY99	1/12th	3 Months	Comment
	PS	05D	Lavender Youth Recreation and Information Center (LYRIC)	30,000	2,500	7,500	
	PS	05H	LEAP/OoNet	62,000	5,167	15,500	
	PS	05C	Legal Assistance to the Elderly	30,000	2,500	7,500	
	PS	05M	Lyon-Martin Women's Health Services	77,465	6,455	19,366	
	PS	05D	Mission Education Projects, Inc	60,000	5,000	15,000	
	PS	05H	Mission Hiring Hall, Inc.	118,738	9,895	29,685	
	PS	05H	Mission Language and Vocational School, Inc.	214,100	17,842	53,525	
	PS	05D	Mission Learning Center (Reading Clinic)	106,575	8,881	26,644	
	PS	05D	Mission Neighborhood Centers	40,000	3,333	10,000	
	PS	05M	New Leaf Services	55,000	4,583	13,750	
	PS	05C	Nihonmachi Legal Outreach	92,640	7,720	23,160	
	PS	05O	Northern California Coalition for Immigrant Rights (Mujeres)	50,000	4,167	12,500	
	PS	05H	Northern California Service League	68,000	5,667	17,000	
	PS	05B	Rehabilitation Services of Northern California	43,000	3,583	10,750	
	PS	05H	Renaissance Parents of Success	133,042	11,087	33,261	
	PS	05H	Samoan Community Development Center, Inc.	75,000	6,250	18,750	
	PS	05A	Self-Help for the Elderly	50,380	4,198	12,595	
	PS	05A	Self-Help for the Elderly	30,000	2,500	7,500	
	PS	05M	SF Child Abuse Prevention Center-Talk Line	32,500	2,708	8,125	
	PS	05D	SF Educational Services	50,000	4,167	12,500	
	PS	05C	SF Neighborhood Legal Assistance Foundation	41,700	3,475	10,425	
	PS	05	Southwest Community Corporation	50,000	4,167	12,500	
	PS	05D	St. John's Educational Thresholds Center	25,200	2,100	6,300	
	PS	05G	St. Vincent de Paul Society of SF	45,000	3,750	11,250	
	PS	05	Swords to Plowshares	40,000	3,333	10,000	
	PS	05K	Tenderloin Housing Clinic, Inc.	87,450	7,288	21,863	
	PS	05J	Tides Center/St. Peter's Housing Committee	31,571	2,631	7,893	
	PS	05J	Tides Center/The Housing Rights Committee	80,000	6,667	20,000	
	PS	05H	Vietnamese Community Center	68,555	5,713	17,139	
w	PS	05H	Visitacion Valley JET	100,000	8,333	25,000	
	PS	05D	West Bay Pilipino Multi-Service Corp.	50,000	4,167	12,500	
	PS	05L	Whitney Young Child Development Center	77,160	6,430	19,290	
	PS	05H	Young Community Developers	75,000	6,250	18,750	
	PS	05D	Youth For Service	10,000	833	2,500	
						0	
			Economic Development			0	
	ED	18B	AIDS Benefits Counselors (ABC)	75,000	6,250	18,750	
	ED	18B	Columbia Park Boys & Girls Club	30,000	2,500	7,500	
	ED	18B	Juma Ventures	30,000	2,500	7,500	
	ED	18B	Juma Ventures	40,000	3,333	10,000	
	ED	18B	Mission Economic Development Association	241,734	20,145	60,434	
	ED	18B	MOCD Economic Development Pool	493,000			
	ED	18B	Private Industry Council of San Francisco, Inc.	70,000	5,833	17,500	
	ED	18B	SF League of Urban Gardeners (SLUG)	130,000	10,833	32,500	
	ED	18B	South of Market Foundation	50,000	4,167	12,500	
	ED	18B	Urban Economic Development Corporation	211,300	17,608	52,825	
			Microenterprise Assistance				
	MEA	18C	Career Resources Development Center	100,000	8,333	25,000	
	MPS	18C	Children's Council of SF	30,000	2,500	7,500	
	MEA	18C	Community Vocational Ent	41,142	3,429	10,286	
	MEA	18C	Family Service Agency	80,000	6,667	20,000	
w	MEA	18C	SF Renaissance	213,500	17,792	53,375	
	MEA	18C	Southeast Asian Community Center	100,100	8,342	25,025	
	MEA	18C	Women's Initiative for Self Employment	115,000	9,583	28,750	
	MEA	18C	Wu Yee Children's Services	84,000	7,000	21,000	
							-
			Administration				
	ADM	21	Controller (Audit/Indirect Costs)	124,015	10,335	31,004	

Mayors Office of Community Development and Mayor's Office of Housing
1999 CDBG, ESG and HOME Proposed Expenditure Schedule for July 1st - June 30th Program Year Page 3 of 3 9/24/99 2:42 PM

RFP	Pgm	Mtx	Agency	FY99	1/12th	3 Months	Comment
	ADM	21	MOCD - Enterprise Community Program	126.962	10.580	31.741	
	ADM	21	MOCD Homeless	90.420	7.535	22.605	
	ADM	21	MOCD Admin	2.291.132	190.928	572.783	
	ADM	21	MOH Admin	1.159.553	96.629	289.888	
	ADM	21	MOCD Environmental Review	15.000	1.250	3.750	
	ADM	21	MOH Environmental Review	15.000	1.250	3.750	
	ADM	21	MONS Disability Council	10.000	833	2.500	
	ADM	21	SF City Attorney's Office (MOCD)	25.000	2.083	6.250	
	ADM	21	SF City Attorney's Office (MOH)	25.000	2.083	6.250	
	ADM	21	SF Human Rights Commission	125.000	10.417	31.250	
	ADM	21	SF Human Rights Commission	125.000	10.417	31.250	
			Total Housing Program Administration	2.267.680	188.973	566.920	
			Total Housing Program Pools	5.673.115	0	0	
			Total Public Housing Pool	100.000	0	0	
			Total Public Facility Improvement	1.688.215	25.875	257.625	
			Total Rehab Existing Facility	1.032.180	0	0	
			Total Rehab New Facility	924.000	0	0	
			Total Other Rehabilitation Program Pools	1.400.000	0	0	
			Total Public Services	5.082.647	423.554	1.270.662	
			Total Economic Development	1.371.034	73.170	219.509	
			Total Microenterprise Assistance	763.742	63.645	190.936	
			Total Administration	4.132.082	344.340	1.033.021	
			Total Planning	775.360	0	0	
			TOTAL CDBG	25.210.055	1.119.557	3.538.671	
			TOTAL CDBG–Program Income	65.941.040			
			Emergency Shelter				
			TOTAL EMERGENCY SHELTER	891.000	74.250	222.750	
			HOME				
	HM		TOTAL HOME	7.077.000	53.178	159.534	
			TOTAL		1.246.985	3.920.955	

MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT
CITY AND COUNTY OF SAN FRANCISCO

FAX MEMORANDUM

TO: James Edison
252-0461

FROM: Roger Sanders

RE: Amending FY

DATE/TIME: October 7, 1999

NUMBER OF PAGES (including cover): 1

Explanation for Schedule of CDBG Uncommitted Balances

Each year the Board of Supervisors approves an award amount for each project receiving Community Development Block Grant funds. These awards may be for multiple year activity especially for capital/construction projects. Some agencies do not expend the entire award amount either because the funds were not needed or they could not be used prior to the termination date of the contract. These unused funds are returned to a reserved pool (carry forward uncommitted balances) to fund other activities.

The City obtains HUD approval for expending these reserved pool funds by amending the "Final Proposal and Action Plan for the Community Development Block Grant, Emergency Shelter Grant and Home Investment Partnership Programs," or, by including these funds in the following years "Final Proposal and Action Plan." Either action requires Board approval.

25 Van Ness Avenue, Suite 700 • San Francisco, CA 94102 • (415) 252-3100 • FAX (415) 252-3110

Item 8 - File 99-1852

Department: Airport Commission

Item: Resolution approving modifications to the Airline/Airport Lease and Use Agreements between the City and eight airlines to allow these airlines to relocate their international flight operations to the new International Terminal Building at the San Francisco International Airport.

Location: New International Terminal Building (ITB) at the Airport

Purposes of Lease Modifications: The proposed resolution would modify the existing Lease and Use Agreements with the eight airlines listed below. The existing Lease and Use Agreements were approved by the Board of Supervisors in 1981. The lease modifications would permit the Airport to:

(a) relocate the eight airlines' international flight operations to the new ITB from the current International Terminal, which will then be converted for domestic flights. The current International Terminal is referred to in this report as the Central Terminal Building (CTB);
(b) change certain types of airline rental space from exclusive use to joint use;
(c) employ procedures for reducing, relocating, and/or reallocating exclusive use space in certain circumstances;
(d) preserve the rights of the eight airlines with Lease and Use Agreements to exclusive use space approximately equal to the exclusive use space they will be relinquishing in the CTB when they move to the new ITB;
(e) terminate a lease if an airline voluntarily ceases its international flight operations at the Airport, contingent on Board of Supervisors approval of such lease terminations; and
(f) permit United Airlines to lease increased exclusive use space in the North Terminal Building.

Lessor: City and County of San Francisco by and through the Airport Commission.

Lessees:

Alaska Airlines
China Airlines
Japan Airlines Co., LTD
Mexicana Airlines
Northwest Airlines
Philippine Airlines, Inc.
Singapore Airlines
United Airlines

Square Footage: There are three sets of space being leased: (1) 676,260 square feet of joint use space in the new ITB, (2) 93,594 square feet of exclusive use space in the new ITB, and (3) 451,492 square feet of United Airlines' exclusive use space in the North Terminal Building.

(1) Joint use space in the new ITB: According to Ms. Dorothy Schimke of the Airport, "joint use space" is airline rental space in a facility owned by the Airport which is leased to more than one airline for the shared use of all the airlines leasing that space. In the new ITB, 26 airlines will collectively lease 676,260 square feet of joint use space. These 26 airlines comprise (a) the eight airlines listed above, and (b) 18 other airlines. The Airport's proposal to enter into Lease and Operating Agreements with those 18 other airlines is the subject of a separate resolution (see Item 9, File 99-1853, of this report to the Finance and Labor Committee).

The 26 airlines will pay rent for this 676,260 square feet of joint use space in accordance with Airport rates and charges, as set out in the Lease and Use Agreements. This joint use space is divided into the rental categories shown in Attachment I, provided by the Airport.

Attachment I shows (a) an estimated 548,691 square foot, or approximately 430 percent, increase in the joint use space to be leased by the 26 airlines, from the current 127,569 square feet of joint use space in the CTB to the 676,260 square feet of joint use space in the new ITB, and (b) an estimated $18,946,802, or approximately 178 percent, increase in the rent to be paid by those 26

airlines, from an estimated $10,627,232 in FY 1999-2000 to an estimated $29,574,034 in FY 2000-2001.

As Alaska Airlines will only use the new ITB for international arrivals from Mexico, it will be a joint use space lessee for 360,818 square feet of the total 676,260 square feet of joint use space. Therefore Alaska Airlines will be a joint use lessee for just the baggage claim, Federal Inspection Service, and inbound baggage unloading areas, and any other joint use spaces directly related to international arrivals. The amount of 360,818 square feet represents approximately 53.4 percent of the total joint use space available.

(2) Exclusive use space in the new ITB: Exclusive use space in the new ITB can consist of (a) airline ticket, baggage service, ramp operations, and administrative offices, (b) VIP clubrooms, and/or (c) other support space. The eight airlines will rent the amounts of exclusive use space in the new ITB as set forth in Attachment II, provided by the Airport. Attachment II shows (a) an estimated 24,048 square foot, or approximately 34.6 percent, increase in the exclusive use space to be leased by the eight airlines, from the current 69,546 square feet of exclusive use space in the CTB to the 93,594 square feet of exclusive use space in the new ITB, and (b) an estimated $895,233, or approximately 16 percent, decrease in the rent to be paid by those eight airlines for their exclusive use space, from an estimated $5,600,856 in FY 1999-2000 to an estimated $4,705,623 in FY 2000-2001. According to Ms. Schimke, the rental rates are calculated on a cost recovery basis, as prescribed in the Lease and Use Agreement and explained in Attachment VI.

(3) United Airlines exclusive use space in the North Terminal Building: The modification to United Airlines' Lease and Use Agreement will also cover an increase of 116,939 square feet, or approximately 35 percent, in the exclusive use space leased by United Airlines in the North Terminal Building, from 334,553 square feet to 451,492 square feet. This 35 percent increase in exclusive use space is to provide adequate space for United Airlines' new automated baggage system

for its domestic flight operations at the North Terminal Building (see Comment No. 8 below). The additional space is primarily Category IV baggage handling areas which United Airlines has taken over incrementally as it installed its new baggage system. According to Ms. Schimke, the Airport will be billing United Airlines for this additional space retroactively to July of 1999. As a result of this additional United Airlines rental space in the North Terminal Building, the Airport expects to realize from United Airlines additional rental revenue of $3,994,608 in FY 1999-2000, and $2,365,967 in FY 2000-2001.

Annual Airline Lease Revenue:

The Airport estimates that it will realize $37,161,803 in airline lease revenue in FY 2000-2001 from the new ITB's total airline rental space from all of the 26 airlines. Of this amount, the Airport will realize an estimated $29,574,034, or approximately 79.6 percent, from the 676,260 square feet of joint use space leased to all 26 airlines with international flight operations, as shown in Attachment I. Of the estimated balance of $7,587,769, or approximately 20.4 percent, which the Airport estimates that it will realize from rental of exclusive use space, an estimated $4,705.623 will be paid by the eight airlines with Lease and Use Agreements (as shown in Attachment II), and an estimated $2,882,146 will be paid by the 18 airlines with Lease and Operating Agreements (as shown in Attachment II of Item 9, File 99-1853, in this report to the Finance and Labor Committee).

The table below compares the estimated FY 2000-2001 airline lease revenues from the new ITB with the estimated airline lease revenues from the CTB in FY 1999-2000. Overall, the Airport anticipates a $19,082,405, or 106 percent, increase in airline lease revenues in FY 2000-2001 from the 26 airlines which have international flight operations at the Airport. (This table covers Items 8 and 9, Files 99-1852 and 99-1853, of this report to the Finance and Labor Committee.)

	CTB Square Feet	Estimated ITB Square Feet	Estimated % Difference in Square Feet	Estimated FY 1999-2000 Lease Revenue	Estimated FY 2000-2001 Lease Revenue	Estimated % Difference in Lease Revenue
Joint Use Space	127,569	676.260	430.0%	$10,627,232	$29,574,034	178%
Lease & Use Agreement Exclusive Use Space	69,546	93,594	35%	5,600,856	4,705,623	(16%)
Lease & Operating Agreement Exclusive Use Space	21,284	55,126	159%	1,851,310	2,882,146	56%
TOTAL	218,399	824,980	278%	$18,079,398	$37,161,803	106%

The Airport also expects, as a result of the increase in the United Airlines exclusive use space in the North Terminal Building, to realize an additional $3,994,608 in airline lease revenue in FY 1999-2000, and $2,365,967 in FY 2000-2001 from United Airlines.

Approval of both Files 99-1852 and 99-1853 will result in total estimated airline lease revenues for the Airport of $37,161,803 from the new ITB in FY 2000-2001. This represents an estimated increase of $19,082,405 over the estimated airline lease revenues for the Airport of $18,079,398 from the CTB in FY 1999-2000. This increase comprises the estimated additional (a) $18,946,802 for joint use space in the new ITB, and (b) $1,030,836 for Lease and Operating Agreement airlines' exclusive use space in the new ITB (as described in Item 9, File 99-1853 of this report to the Finance and Labor Committee), offset by (c) a decrease of $895,233 in the revenues from Lease and Use Agreement airlines' exclusive use space in the new ITB. Furthermore, approval of File 99-1852 will result in additional airline lease revenue for the Airport of an estimated $2,365,967 in FY 2000-2001 from United Airlines' increased exclusive use space in the North Terminal Building. The Airport therefore estimates that it will receive additional airline lease revenues in the amount of $21,448,372 in FY 2000-2001.

BOARD OF SUPERVISORS
BUDGET ANALYST

Term of Modified Leases: Each of the proposed modifications to the Lease and Use Agreements between the City and the eight airlines will take effect upon full execution by the parties and final approval by the Board of Supervisors. All eight Lease and Use Agreements terminate on June 30, 2011.

Right of Renewal: None.

Maintenance and Operations: The respective responsibilities of the City and the eight airlines for maintenance and operations are contained in Attachment IV, provided by the Airport. Ms. Schimke states that the Airport's airline rental space rates are designed to cover all of the Airport's maintenance and operations overhead costs which are not covered by revenue from the Airport's concessions or other non-airline revenues.

Comments: 1. As part of the Airport's Master Plan Expansion Program, the Airport is constructing a new ITB which is scheduled for completion in May of 2000. All international flight operations currently conducted by the 26 airlines in the CTB, including those of the eight airlines under this subject resolution, will be relocated to the new ITB, allowing the CTB to be used as a third domestic terminal, according to Mr. Gary Franzella of the Airport. Mr. Franzella states that the reassignment of the CTB as a third terminal for domestic flight operations and the opening of the new ITB as a fourth terminal will enable the Airport to increase the total number of passengers that the Airport can handle from an estimated 40 million in 1999, to an estimated 51 million in 2006, an increase of 27.5 percent.

2. Of the 26 airlines which will relocate their international flight operations to the new ITB, eight airlines, which are the subject of this resolution, have existing Lease and Use Agreements, effective July 1, 1981. These Lease and Use Agreements were previously approved by the Board of Supervisors. They are due to expire on June 30, 2011. Proposed modifications to these

eight Lease and Use Agreements are the subject of this resolution.

3. Of the 26 airlines which will relocate their international flight operations to the new ITB, 18 airlines are the subject of Item 9, File 99-1853, of this October 13 report to the Finance and Labor Committee.

4. According to Mr. Franzella, in negotiating the proposed modifications to the Lease and Use Agreements, the Airport had the following objectives:

(a) To relocate the eight airlines' international flight operations from the CTB to the new ITB;
(b) To apply a joint use approach to as much space in the new ITB as possible, to maintain flexibility to address changes in the airline industry and accommodate increased international traffic demands;
(c) To provide a mechanism for reducing, relocating, and/or reallocating exclusive use space, as described in Attachment III, provided by the Airport;
(d) To preserve the rights of the eight airlines with Lease and Use Agreements to exclusive use space approximately equal to the exclusive use space they will be relinquishing in the CTB when they move to the new ITB. The replacement exclusive use space will be designated as "Entitlement Space" which may only be reduced or relocated through mutual agreement or the Airport's Right of Reaccess, as described in Attachment III;
(e) To designate any exclusive use space under an airline's Lease and Use Agreement that is in excess of (i) the exclusive use space relinquished by that airline in the CTB, and (ii) VIP clubroom space, as "Non-Entitlement Space", which could be reduced, relocated, and/or reallocated in accordance with the reallocation procedures described in Attachment III;
(f) To be able to terminate an airline's lease if the lessee voluntarily ceases international flight operations at the Airport, contingent on Board of Supervisors approval of such lease terminations; and
(g) To permit United Airlines to make changes to its exclusive use space in the North Terminal Building to

accommodate expansion and modernization of its baggage system and other operating space.

5. Under the proposed resolution, the Airport would be authorized to modify the allocation of exclusive use space in the new ITB without further approval from the Board of Supervisors, as long as the modifications are consistent with the provisions contained in Attachment III. All other modifications to airlines' allocations of exclusive use space would require Board of Supervisors approval.

6. Under the existing Lease and Use Agreements with the subject eight airlines, joint use space includes only gate hold-rooms, baggage handling and baggage claim areas, and Federal Inspection Service areas. The joint use space approach is being expanded in the new ITB. According to Mr. Franzella, all of the new ITB's 168 ticket counters will be designated as joint use spaces, compared with only eight of the 111 ticket counters currently designated as joint use space in the CTB. The remaining 103 CTB ticket counters are exclusive use spaces under the existing Lease and Use Agreements. Mr. Franzella also states that all 24 gate hold-rooms in the new ITB will be designated as joint use spaces, whereas in the CTB United Airlines has exclusive use space rights over five of the CTB's ten gate hold-rooms.

7. As explained in Attachment V, provided by the Airport, scheduling of joint use space in the new ITB will be managed, under the Airport's oversight, by SFO Terminal Equipment Company, LLC (SFOTEC), a company to be formed by the 26 airlines.

8. United Airlines' Lease and Use Agreement also provides for a modification in relation to United Airlines' leasing of exclusive use space in the North Terminal Building space. This is primarily the result of United Airlines' installation of a new automated baggage system under certain North Terminal Building gates, in spaces that had not been previously leased to any airline. The space is now primarily designated as Category IV baggage handling areas. As a result of this additional United Airlines rental space in the North Terminal Building, the Airport expects to realize from United Airlines an

additional $3,994,608 in airline lease revenues in FY 1999-2000, and $2,365,967 in FY 2000-2001.

9. Execution copies of the proposed modifications to the Lease and Use Agreements were sent to the airlines on September 2, 1999. Final approval is contingent on the Human Rights Commission's determination of each airline's compliance with, or exemption from, the requirements of San Francisco's Equal Benefits Ordinance. Ms. Schimke advises that all eight airlines are currently in various stages of obtaining certification of their compliance with, or exemption from, that ordinance's requirements, and that the Airport anticipates that all eight will comply.

10. According to Mr. Franzella, a phased occupancy of the subject space is commencing on November 1, 1999 at which time United Airlines will be able to begin tenant improvements of its exclusive use spaces in the new ITB. All the other airlines which have exclusive use spaces will be able to commence their tenant improvements no later than January 1, 2000. As previously noted, the new ITB is scheduled to open in May of 2000. While the lessees are not required to make a minimum investment per square foot in the tenant improvement construction of their exclusive use spaces, they are required to meet the requirements of the relevant construction codes. Northwest Airlines and United Airlines will construct their own tenant improvements. China Airlines and Singapore Airlines will construct their VIP clubrooms. All other tenant improvements for Lease and Use Agreement airlines will be performed under a consolidated contract awarded by the Airport's Airline Liaison Office in order to minimize potential coordination problems. Construction of all joint use space will be the responsibility of the Airport.

11. The airlines' payment of rents for the new ITB space will commence on the date the new ITB is open and operational, as determined by the Airport Director. On that date, the airlines' rental payments for the CTB cease. Under the proposed modifications to their Lease and Use Agreements, the eight airlines will have up to 90 days after they begin paying rent for their new ITB space to

remove their equipment from their exclusive use space in the CTB.

12. All lessees will pay rent for their new ITB space in accordance with the Airport's rates and charges for airline rental space. These are determined annually by the Airport using the rates and charges methodology prescribed in the Lease and Use Agreements, as previously approved by the Board of Supervisors, and contained in Attachment VI, provided by the Airport. The division between the airlines of the rent payable for the new ITB's joint use space will be determined on the basis of a "Joint Use Formula" as explained in Attachment VII, provided by the Airport.

13. In summary, the Airport estimates that approval of both Files 99-1852 and 99-1853 will result in total estimated airline lease revenues for the Airport of $37,161,803 from the new ITB in FY 2000-2001, an increase of $19,082,405 over the estimated airline lease revenues for the Airport of $18,079,398 from the CTB in FY 1999-2000. Furthermore, approval of File 99-1852 will result in additional airline lease revenue for the Airport of an estimated $2,365,967 in FY 2000-2001 from United Airlines' increased exclusive use space in the North Terminal Building. The Airport therefore estimates that it will receive additional airline lease revenues in the amount of $21,448,372 in FY 2000-2001.

Recommendation: Approve the proposed resolution, contingent on the airlines' compliance with the City's Equal Benefits Ordinance.

Attachment I

Lease and Use Agreements: Comparison of Joint Use Space

Categories of Joint Use Space	CTB @ FY 1999-2000 Total Sq. Feet	CTB @ FY 1999-2000 Total Estimated Dollars	ITB *Estimated @ FY 2000/2001 Total Estimated Sq. Feet	ITB *Estimated @ FY 2000/2001 Total Estimated Dollars	FY 99/00 with FY 00-01 Sq. Feet: % Difference	FY 99/00 with FY 00-01 Total Estimated Dollars: % Difference
Category I - Gate holdroom and ticket counters	36,876	$4,492,234	152,892	$11,170,290	315%	149%
Category II - Baggage claim; Federal Inspection Service; other joint use areas, 3rd floor and above; 1st floor passenger access	54,682	$4,996,294	236,767	$12,974,832	333%	160%
Category III - Other enclosed joint use areas, 2nd floor and below	1,373	$83,629	11,687	$426,926	751%	410%
Category IV - Baggage handling areas	34,638	$1,055,073	273,026	$4,988,185	688%	373%
Category V - Other enclosed space	0	$0	1,888	$13,801	N/A	N/A
TOTAL	**127,569**	**$10,627,232**	**676,260**	**$29,574,034**	**430%**	**178%**

Please note: Joint use space is collectively leased by the 26 airlines with international flight operations at the Airport. Currently, it is not possible to break the above revenue information down into (a) the eight airlines with Lease and Use Agreements, and (b) the 18 airlines which will sign Lease and Operating Agreements because the Airport is not yet able to make the calculations laid out in the "Joint Use Formula" for FY 2000-2001.

* FY 2000/2001 rates were estimated based on best information available in June 1999. Actual rates will be calculated in June 2000 and may vary significantly due to changing conditions.

10/6/99

Attachment II

Lease and Use Agreements: Comparison of Exclusive Space

	CTB @FY 99/00 Rates		IBT *Estimated @ FY 00/01		Comparison: FY 99/00 with FY 00/01	
AIRLINE	Total sq.ft.	Total Dollars	Total sq.ft.	Total Dollars	Difference sq. ft.	Difference Revenue
Alaska Airlines	627	$70,413	0	$0	N/A	N/A
China Airlines	3,152	$290,430	5,023	$264,773	59.4%	-8.8%
Japan Airlines	13,477	$1,073,941	9,809	$521,291	-27.2%	-51.5%
Mexicana Airlines	4,019	$352,590	3,363	$163,136	-16.3%	-53.7%
Northwest Airlines	4,764	$421,787	8,789	$459,622	84.5%	9.0%
Philippine Airlines	4,462	$385,514	6,209	$329,401	39.2%	-14.6%
Singapore Airlines	5,523	$496,843	6,619	$351,978	19.8%	-29.2%
United Airlines	33,522	$2,509,338	53,782	$2,615,422	60.4%	4.2%
TOTAL	69,546	$5,600,856	93,594	$4,705,623	34.6%	-16.0%

* FY 2000/2001 rates were estimated based on best information available in June 1999. Actual rates will be calculated in June 2000 and may vary significantly due to changing conditions.

10/6/99

San Francisco International Airport

GATEWAY TO THE PACIFIC

REDUCTION. RELOCATON. AND/OR REALLOCATION OF EXCLUSIVE USE SPACE

A. When required by a significant shift in market share or to accommodate a new airline, the Airport can reduce, relocate, and/or reallocate exclusive use space in accordance with the procedures described below.

B. Airline Ticket Office (ATO) Procedures

- ATOs are the ticket counter support offices located on Floors 3 and 3M of the new ITB.
- ATO space may be reduced, relocated, and/or reallocated in conjunction with reallocation of ticket counter preferential use assignments, which are decided by SFOTEC, with Airport oversight, based on flight activity and new ITB Ticket Counter Management Protocols.
- A key objective of the new ITB Ticket Counter Management Protocols is to provide each airline with a regular check-in location, with the maximum number of positions desired (if available).
- Reduction, relocation, and/or reallocation of ATO space held by airlines under Lease and Use Agreements will occur only after the City has determined that (1) there is no unassigned ATO space on Floors 3 or 3M, (2) there is no ATO space that may be recovered for reassignment from airlines with space permits, (3) there is no ATO space that may be recovered for reassignment from airlines with Lease and Operating Agreements, and (4) the reduction, relocation, and/or reallocation of leased ATO space will not reduce any affected Lease and Use Agreement lessee's space below a minimum operating unit.

C. Airport's Right of Reaccess to Entitlement Space

- "Entitlement Space" refers to (a) that portion of new ITB exclusive use space which is approximately the size of an airline's existing exclusive use space in the CTB under a Lease and Use Agreement, except that VIP clubrooms are entirely entitlement space, whether they are larger than CTB VIP areas or not.
- The Airport may recover Entitlement Space through Right of Reaccess only when the relevant lessee's available international seats have decreased by more than 50 percent in a 12-month period versus the benchmark year of FY 1999-2000.
- The Airport may reaccess square footage in each exclusive use space category up to the percentage reduction, subject to minimum operating requirements.

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- All VIP clubroom space held by the eight airlines is designated as Entitlement Space because of the cost of constructing VIP clubrooms. Such space requires 180 days notice to recover. All other Entitlement Space requires 90 days notice to recover.

D. Procedures for Non-Entitlement Space

- "Non-Entitlement Space" refers to all exclusive use space that is not "Entitlement Space".
- To reduce or relocate Non-Entitlement Space, the Airport shall develop and present a plan and accompanying rationale to SFOTEC and the impacted airline(s). Airlines have a 30 day period
- At the end of the 30 day comment period, the Airport shall deliver a notice to the airline(s) required to reduce or relocate space in accordance with the plan, noting that the plan may have been modified during the review process.
- Non-Entitlement Space requires 90 days notice to recover.

E. Buyout Provisions

- When pursuant to these provisions, reduction or relocation of both Entitlement and Non-Entitlement Space is subject to buyout by the Airport of the value of the improvements amortized on a straight-line basis over the remaining term of the Lease and Use Agreement. If, however, exclusive use space is voluntarily surrendered by an airline, then the Airport is not obligated to offer buyout compensation.

Attachment IV

ITB MAINTENANCE AND OPERATIONS RESPONSIBILITIES

Key: A – Airline/ C – City/ T – Non-Airline Tenants

	TERMINAL BUILDINGS					LANDING AREAS			
	Leased Space - Full Public Exposure[1]	Leased Space - Unexposed[2]	Airline Leasable Vacant	FIS Space	Public Space	Runways	Taxiways	Parking Ramps	Cart Roads
HVAC -- Central Heating and Cooling to Premises	C	C	C	C	C	---	---	---	---
-- Heating of Premises	C	A	C	C	C	---	---	---	---
-- Cooling of Premises	C	A	C	C	C	---	---	---	---
Water and Sewerage	---	A[3]	C	C	C	---	---	---	---
Power Supply to Premises[4]	C	C	C	C	C	C	C	C	C
Lighting[5]	C	A	C	C	C	C	C	C	C
Cleaning[6]	C	A	C	C	C	C	C	A	C
Trash Removal	C	A	C	C	C	C	C	A	C
Window Washing - Interior	C	A	C	C	C	---	---	---	---
- Exterior	C	C	C	C	C	---	---	---	---
Decorative/Maintenance/ Replacement/Repair									
- Walls, Doors, Furniture, Fixture, Windows, Ceilings, Carpets, Floors	C	A	C	C	C	---	---	---	---
Plumbing and Fixtures	---	A	C	C	C	---	---	---	---
Building - Structural	C	C	C	C	C	---	---	---	---
- Interior	C	A	C	C	C	---	---	---	---
- Exterior	C	C	C	C	C	---	---	---	---
Paving – Repair and Replacement	C	C	C	C	C	C	C	C	C
Baggage - Claim Devices	A	A	---	A	---	---	---	---	---
- Conveyors	A	A	---	A	---	---	---	A	---
Passenger Loading Bridges Maint.	A	A	---	---	---	---	---	A	---
Keys and Locks	C	A	C	T	C	---	---	---	---
Security Doors	C	C	C	C	C	---	---	---	---
Fuel Lines	---	---	---	---	---	---	A[7]	A[7]	A[7]

Other

400HZ Power - Airlines

Preconditioned Air - City responsible through the building and loading bridges. Airlines responsible for all hoses from loading bridges to aircraft.

[1]Includes Ticket Counters, Holdrooms, Baggage Claim Areas.
[2]Includes Offices, VIP Clubs/Lounges, Baggage Operations, Storage/Equipment Rooms.
[3]Airport will inspect and maintain potable water backflow devices.
[4]Usage of all power shall be estimated, or measured by meter. Meters to be installed at Lessee's expense.
[5]Lighting shall mean general illumination and shall include relamping and replacement of the Airport's standard starters, ballasts, switches and outlets but shall not include special airline installations or requirements
[6] Includes passenger loading bridge interiors.
[7] May be performed through SFO Fuel LLC.

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

INTEROFFICE MEMORANDUM

TO: Alan Gibson DATE: October 6, 1999

FROM: Dorothy Schimke, Senior Property Manager
Department of Aviation Management

SFO Terminal Equipment Company, LLC

The airlines that will operate at the new International Terminal Building (ITB) are forming a limited liability company, SFO Terminal Equipment Company, LLC (SFOTEC). The purpose of this company is to operate and maintain certain equipment and joint use space in the ITB and to schedule the usage of such joint use equipment and space among airline members and non-member users.

(1) Operation and Maintenance of Equipment

Maintenance of certain operating equipment and systems owned by the Airport will be the responsibility of SFOTEC. This equipment includes but is not limited to passenger loading bridges, the baggage system, the preconditioned air system, the 400 Hz ground power system, flight and baggage information display systems and common use telephones at gate podiums and ticket counters.

(2) Gate and Ticket Counter Scheduling

Gate scheduling: The scheduling of the new ITB's 24 joint use gates will be managed by SFOTEC, subject to Airport approval, to maximize the efficient use of those gates. Determination of gate usage policy and final resolution of conflicts will rest solely with the Airport Director.

Ticket counter assignment and management: The assignment of the new ITB's 168 joint use ticket counters will be managed by SFOTEC, subject to Airport approval, in accordance with Ticket Counter Management Protocols designed to maximize the efficient use of those ticket counters. Determination of ticket counter usage policy and final resolution of conflicts will rest solely with the Airport Director.

(3) Management Services

Tower operations: The ground movement of aircraft into and out of the new ITB, and within non-movement zones designated by the Airport, will be managed by SFOTEC.

Cleaning and Maintenance: SFOTEC will also manage janitorial services for non-public joint use areas, and ramp sweeping.

Accounting: SFOTEC will be responsible for allocating costs and distributing billings among the airline members and non-member users.

(4) Coordination and Oversight

An Oversight Committee, chaired by the Airport and including both airline and Airport representation, will be responsible for setting SFOTEC's missions, addressing issues of mutual concern to the Airport and the airlines, and reviewing SFOTEC's performance.

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

TO: Alan Gibson **DATE:** October 6, 1999

FROM: Dorothy Schimke

Airport Rates and Charges

Background

In 1979 a number of airlines filed suit to litigate certain complaints against the City, including an allegation that Airport revenues were being unlawfully diverted to the City's General Fund. (Federal law prohibits the expenditure of airport revenues for non-airport purposes.) In early 1980 the City and the airlines that were parties to the suit entered into settlement negotiations that resulted in a detailed Settlement Agreement and an Airline-Airport Lease and Use Agreement ("the LU"). Provisions for a substantial restructuring of the financial operation of the Airport, including the methodology for calculating Airport Rates and Charges, were incorporated into the LU as part of the Settlement Agreement.

Calculation of Rates and Charges

In general, the airlines are obligated to pay terminal building rental rates and landing fees in amounts that, when included with all other Airport revenues, will be sufficient to cover all annual Airport costs. Rates are adjusted annually. Terminal rate adjustments are based on the average cost per square foot of providing, maintaining and operating the terminal building areas.

A simplified outline of the methodology for calculating Airport terminal rents is as follows:

1. **Expense Forecasting**. Airport forecasts its expenses, including both operating and capital expenses, for the upcoming fiscal year.
2. **Revenue Forecasting**. Airport forecasts its non-airline terminal revenues for the upcoming fiscal year.
   - Concession revenues
   - Rents from non-airline tenants
   - Other revenues (e.g., interest on unexpended capital funds)

3. **Annual Service Payment.** 15% of Concession revenues goes to City's general fund as compensation for indirect services to the Airport.
4. **Calculation.**
   - Non-airline revenues (net of Annual Service Payment) are set off against projected expenses.
   - Remainder (expenses that are not covered by non-airline revenues) is divided by the total square feet of terminal space rented by airlines to determine average rent per square foot, which is then apportioned into five rate categories.
   - The higher the number of square feet rented to airlines, the lower the effective rental rate required to recover the terminal costs.

Attachment VII

San Francisco International Airport

GATEWAY TO THE PACIFIC

JOINT USE FORMULA FOR THE NEW ITB

The total charges for each room comprising joint use space shall be divided among the airlines using the new ITB according to the following formula:

- Twenty percent of each joint space shall be divided equally among all airlines using that joint use space. Since Alaska Airlines will use only 53.4 percent of the joint use spaces, it will pay 1/26th of the 20 percent payment for those spaces. For all other joint use spaces, the remaining 25 airlines will pay 1/25th each. These proportions will change as individual airlines start or cease international flight operations at the new ITB.

- Eighty percent shall be divided as follows. Each airline using the joint use space pays that proportion which the number of its passengers enplaning and/or deplaning at the new ITB bears to the total number of passengers enplaning and/or deplaning at the new ITB. The proportions for each type of joint use space are calculated on the following bases:

Category	Type of Space	Type of Passenger
I	Ticket counter/gate holdroom	new ITB enplaned passengers
II	Baggage claim /Federal Inspection Service	new ITB deplaned passengers
II	Other 3rd floor and above, and 1st floor passenger access	new ITB total enplaned and deplaned passengers
III	Other enclosed, 2nd and below	new ITB total enplaned and deplaned passengers
IV	Inbound baggage handling	new ITB deplaned passengers
IV	Outbound baggage handling	new ITB enplaned passengers
V	Other unenclosed	new ITB total enplaned and deplaned passengers

- If for any reason the number of passengers enplaning and/or deplaning at the new ITB in the prior fiscal year for any of the airlines using the joint use space constitute an inappropriate basis for forecasting that airline's passenger volume for the year in which the charges are levied, the City can make appropriate adjustments in order to equitably apportion the total costs among all of the airlines using such joint use space.

SAN FRANCISCO INTERNATIONAL AIRPORT - PO BOX 8097 - SAN FRANCISCO CALIFORNIA 94128 - TELEPHONE (650) 794-5000 - FAX (650) 794-5005

Item 9 - File 99-1853

Department:	Airport Commission
Item:	Resolution approving the terms of new Lease and Operating Agreements between the City and 18 airlines to allow these airlines to relocate their international flight operations to the new International Terminal Building at the San Francisco International Airport.
Location:	New International Terminal Building (ITB) at the Airport
Purpose of Leases:	The proposed new Lease and Operating Agreements with the 18 airlines listed below would permit the Airport to: (a) relocate the 18 airlines' international flight operations to the new ITB from the current International Terminal, which will then be converted for domestic flights. The current International Terminal is referred to in this report as the Central Terminal Building (CTB); (b) change certain types of airline rental space from exclusive use to joint use; (c) employ procedures for reducing, relocating, and/or reallocating exclusive use space in certain circumstances; and (d) terminate a lease if an airline voluntarily ceases its international flight operations at the Airport, contingent on Board of Supervisors approval of such lease terminations.
Lessor:	City and County of San Francisco by and through the Airport Commission.
Lessees:	Aeroflot Russian International Airlines Air China Air France Alitalia Airlines Asiana Airlines All Nippon Airways British Airways, PLC Cathay Pacific Airways, LTD. China Eastern Airlines EVA Airways

8 and 9, Files 99-1852 and 99-1853, of this report to the Finance and Labor Committee.)

	CTB Square Feet	Estimated ITB Square Feet	Estimated % Difference in Square Feet	Estimated FY 1999-2000 Lease Revenue	Estimated FY 2000-2001 Lease Revenue	Estimated % Difference in Lease Revenue
Joint Use Space	127,569	676,260	430.0%	$10,627,232	$29,574,034	178%
Lease & Use Agreement Exclusive Use Space	69,546	93,594	35%	5,600,856	4,705,623	(16%)
Lease & Operating Agreement Exclusive Use Space	21,284	55,126	159%	1,851,310	2,882,146	56%
TOTAL	218,399	824,980	278%	$18,079,398	$37,161,803	106%

Approval of both Files 99-1852 and 99-1853 will result in total estimated airline lease revenues for the Airport of $37,161,803 from the new ITB in FY 2000-2001. This represents an estimated increase of $19,082,405 over the estimated airline lease revenues for the Airport of $18,079,398 from the CTB in FY 1999-2000. This increase comprises the estimated additional (a) $18,946,802 for joint use space in the new ITB, and (b) $1,030,836 for Lease and Operating Agreement airlines' exclusive use space in the new ITB, offset by (c) a decrease of $895,233 in the revenues from Lease and Use Agreement airlines' exclusive use space in the new ITB (as described in Item 8, File 99-1852, of this report to the Finance and Labor Committee).

Term of Lease and Operating Agreements:

Each of the proposed Lease and Operating Agreements will take effect upon full execution by the parties and final approval by the Board of Supervisors. All 18 Lease and Operating Agreements terminate on June 30, 2011, which is coterminous with the eight Lease and Use Agreements which are the subject of Item 8, File 99-1852, of this report to the Finance and Labor Committee.

Right of Renewal: None.

Maintenance and Operations: The respective responsibilities of the City and the 18 airlines for maintenance and operations are contained in Attachment IV, provided by the Airport. Ms. Schimke states that the Airport's airline rental space rates are designed to cover all of the Airport's maintenance and operations overhead costs which are not covered by revenue from the Airport's concessions or other non-airline revenues.

Comments: 1. As part of the Airport's Master Plan Expansion Program, the Airport is constructing a new ITB which is scheduled for completion in May of 2000. All international flight operations currently conducted by the 26 airlines in the CTB, including those of the 18 airlines under this subject resolution, will be relocated to the new ITB, allowing the CTB to be used as a third domestic terminal, according to Mr. Gary Franzella of the Airport. Mr. Franzella states that the reassignment of the CTB as a third terminal for domestic flight operations and the opening of the new ITB as a fourth terminal will enable the Airport to increase the total number of passengers the Airport can handle from an estimated 40 million in 1999, to an estimated 51 million in 2006, an increase of 27.5 percent.

2. Of the 26 airlines which will relocate their international flight operations to the new ITB, 18 airlines, which are the subject of this resolution, are expected to sign new Lease and Operating Agreements with the City. According to Ms. Schimke, none of the 18 subject airlines currently have leases equivalent to the Lease and Operating Agreements proposed by this resolution. Whereas most airlines that were tenants of the Airport in 1981 signed Lease and Use Agreements with the Airport, thereby controlling most of the available exclusive use airline rental space, airlines that became tenants subsequently were obliged to make other arrangements. As a result, the 18 subject airlines either (a) obtained month-to-month permits for the small amounts of space not originally leased under Lease and Use Agreement, or

for space which has subsequently been surrendered by airlines with Lease and Use Agreements, (b) subleased from Lease and Use Agreement airlines, or (c) entered into "handling agreements" pursuant to alliances, code-shares, or similar marketing or ground handling agreements, with airlines which have space under either Lease and Use Agreements or space permits. Ms. Schimke states that such subleases, handling agreements, or space permits were not subject to Board of Supervisors approval because only leases in excess of ten years and/or $1,000,000 in value are subject to Board of Supervisors approval.

According to Ms. Schimke, under the proposed resolution, the new Lease and Operating Agreements would benefit the Airport because: (a) they put the Airport into a direct relationship with the airlines, rather than an indirect relationship as is currently the case with airlines that have subleases or handling agreements; (b) they provide the Airport with direct control over space allocation, both in the initial assignment of space and through the reallocation procedures described in Attachment III; and (c) they assure the Airport of the airlines' longterm commitment to the Airport. Ms. Schimke also states that the proposed Lease and Operating Agreements would benefit the 18 airlines as follows: (a) they give the airlines a term of years, which ends June 30, 2011, over which to amortize their tenant improvements; and (b) they provide parity among airlines at the Airport by, for example, giving the airlines voting rights on airline organizations advisory to the Airport.

If any of the 18 airlines choose not to sign their proposed Lease and Operating Agreements, they will need to sign a month-to-month space permit instead. The same rates and charges will apply whether airlines choose to sign their Lease and Operating Agreements, or month-to-month space permits. Such monthly space permits would not be subject to Board of Supervisors approval unless they exceeded $1,000,000 in value.

3. Of the 26 airlines which will relocate their international flight operations to the new ITB, eight airlines are the subject of Item 8, File 99-1852, of this

report to the Finance and Labor Committee. According to Ms. Schimke, the 18 proposed Lease and Operating Agreements will be similar to the Lease and Use Agreements, as modified, for the eight airlines under File 99-1852, except they will not have the Entitlement Space provisions of Lease and Use Agreements.

4. Under the proposed resolution, the Airport would be authorized to modify the allocation of exclusive use space in the new ITB without further approval from the Board of Supervisors, as long as the modifications are consistent with the provisions contained in Attachment III. All other modifications to airlines' allocations of exclusive use space would require Board of Supervisors approval.

5. Under the proposed resolution, the Airport could terminate an airline's lease if that airline voluntarily ceased international flight operations at the Airport, subject to Board of Supervisors approval of that lease termination.

6. Under the existing CBT space allocations, joint use space includes only gate hold-rooms, baggage handling and baggage claim areas, and Federal Inspection Service areas. The joint use space approach is being expanded in the new ITB. According to Mr. Franzella, all of the new ITB's 168 ticket counters will be designated as joint use spaces, compared with only eight of the 111 ticket counters currently designated as joint use space in the CTB. The remaining 103 CTB ticket counters are exclusive use spaces under the existing Lease and Use Agreements. Mr. Franzella also states that all 24 gate hold-rooms in the new ITB will be designated as joint use spaces, whereas in the CTB United Airlines has exclusive use space rights over five of the CTB's ten gate hold-rooms.

7. As explained in Attachment V, provided by the Airport, scheduling of joint use space in the new ITB will be managed, under the Airport's oversight, by the airline consortium, SFO Terminal Equipment Company, LLC (SFOTEC), a company to be formed by the 26 airlines.

8. Execution copies of the proposed Lease and Operating Agreements were sent to the airlines on September 2, 1999. Final approval is contingent on the Human Rights Commission's determination of each airline's compliance with, or exemption from, the requirements of San Francisco's Equal Benefits Ordinance. Ms. Schimke advises that the 18 airlines are currently in various stages of obtaining certification of their compliance with, or exemption from, that ordinance's requirements, and that the Airport anticipates that all 18 will comply.

9. According to Mr. Franzella, a phased occupancy of the subject space will permit all airlines which have exclusive use spaces to commence tenant improvements of those spaces no later than January 1, 2000. As previously noted, the new ITB is scheduled to open in May of 2000. While the lessees are not required to make a minimum investment per square foot in the tenant improvement construction of their exclusive use spaces, they are required to meet the requirements of the relevant construction codes. Construction of all exclusive use spaces for Lease and Operating Agreement airlines will be performed under a consolidated contract awarded by the Airport's Airline Liaison Office in order to minimize potential coordination problems. The exception will be the VIP clubrooms being constructed by contractors individually hired by Air France, British Airways, EVA Airways, Korean Air, Lufthansa German Airlines, and Virgin Atlantic Airways. Construction of all joint use space will be the responsibility of the Airport.

9. The airlines' payment of rents for the new ITB space will commence on the date the new ITB is open and operational, as determined by the Airport Director. On that date, the airlines' rental payments for the CTB cease. The 18 airlines will be expected to surrender their space in the CTB immediately.

10. All lessees will pay rent for their new ITB space in accordance with the Airport's rates and charges for airline rental space. These are determined annually by the Airport using the rates and charges methodology prescribed in the Lease and Operating Agreements, and contained in Attachment VI, provided by the Airport. The

division between the airlines of the rent payable for the new ITB's joint use space will be determined on the basis of a "Joint Use Formula" as explained in Attachment VII, provided by the Airport.

11. In summary, the Airport estimates that approval of both Files 99-1852 and 99-1853 will result in total estimated airline lease revenues for the Airport of $37,161,803 from the new ITB in FY 2000-2001, an increase of $19,082,405 over the estimated airline lease revenues for the Airport of $18,079,398 from the CTB in FY 1999-2000.

Recommendation: Approve the proposed resolution, contingent on the 18 airlines' compliance with the City's Equal Benefits Ordinance.

Attachment I

Lease and Use Agreements: Comparison of Joint Use Space

Categories of Joint Use Space	CTB @ FY 1999-2000: Total Sq. Feet	CTB @ FY 1999-2000: Total Estimated Dollars	ITB *Estimated @ FY 2000/2001: Total Estimated Sq. Feet	ITB *Estimated @ FY 2000/2001: Total Estimated Dollars	FY 99/00 with FY 00-01: Sq. Feet: % Difference	FY 99/00 with FY 00-01: Total Estimated Dollars: % Difference
Category I - Gate holdroom and ticket counters	36,876	$4,492,234	152,892	$11,170,290	315%	149%
Category II - Baggage claim; Federal Inspection Service; other joint use areas, 3rd floor and above; 1st floor passenger access	54,682	$4,996,294	236,767	$12,974,832	333%	160%
Category III - Other enclosed joint use areas, 2nd floor and below	1,373	$83,629	11,687	$426,926	751%	410%
Category IV - Baggage handling areas	34,638	$1,055,073	273,026	$4,988,185	688%	373%
Category V - Other enclosed space	0	$0	1,888	$13,801	N/A	N/A
TOTAL	127,569	$10,627,232	676,260	$29,574,034	430%	178%

Please note: Joint use space is collectively leased by the 26 airlines with international flight operations at the Airport. Currently, it is not possible to break the above revenue information down into (a) the eight airlines with Lease and Use Agreements, and (b) the 18 airlines which will sign Lease and Operating Agreements because the Airport is not yet able to make the calculations laid out in the "Joint Use Formula" for FY 2000-2001.

* FY 2000/2001 rates were estimated based on best information available in June 1999. Actual rates will be calculated in June 2000 and may vary significantly due to changing conditions.

10/6/99

Attachment II

Lease and Operating Agreements: Comparison of Exclusive Use Space

	CTB @FY 99/00 Rates		IBT *Estimated @ FY 00/01		Comparison: FY 99/00 with FY 00/01	
AIRLINE	Total sq. ft.	Total Dollars	Total sq. ft.	Total Dollars	Difference sq. ft.	Difference Revenue
Aeroflot	0	$0	1,188	$58,361	N/A	N/A
Air China	0	$0	1,325	$55,875	N/A	N/A
Air France	1,507	$118,623	5,210	$275,697	245.7%	132%
Alitalia	0	$0	1,459	$71,476	N/A	N/A
All Nippon Airways	0	$0	1,777	$97,380	N/A	N/A
Asiana Airlines	1,780	$173,052	2,038	$111,682	14.5%	-35%
British Airways	9,212	$815,891	12,009	$635,511	30.4%	-22%
Cathay Pacific	0	$0	1,960	$91,769	N/A	N/A
China Eastern Air	251	$15,288	821	$41,063	N/A	N/A
EVA Air	375	$33,715	6,495	$334,313	1632.0%	892%
Finnair	0	$0	0	$0	N/A	N/A
KLM Royal Dutch Airlines	400	$36,548	0	$0	-100.0%	N/A
Korean Air	568	$51,350	3,212	$168,326	N/A	228%
Lacsa	0	$0	1,317	$72,172	N/A	N/A
Lufthansa	5,490	$467,810	5,807	$306,604	5.8%	-34.5%
Ryan International Airlines	608	$37,033	2,407	$125,747	N/A	239.6%
Swlssair	0	$0	1,248	$68,390	N/A	N/A
Virgin Atlantic Airways	1,093	$101,999	6,853	$367,780	527.0%	260.6%
TOTAL	**21,284**	**$1,851,310**	**55,126**	**$2,882,146**	**159.0%**	**55.7%**

* FY 2000/2001 rates were estimated based on best information available in June 1999. Actual rates will be calculated in June 2000 and may vary significantly due to changing conditions.

10/6/99

San Francisco International Airport
GATEWAY TO THE PACIFIC

REDUCTION, RELOCATON, AND/OR REALLOCATION OF EXCLUSIVE USE SPACE

A. When required by a significant shift in market share or to accommodate a new airline, the Airport can reduce, relocate, and/or reallocate exclusive use space in accordance with the procedures described below.

B. Airline Ticket Office (ATO) Procedures

- ATOs are the ticket counter support offices located on Floors 3 and 3M of the new ITB.
- ATO space may be reduced, relocated, and/or reallocated in conjunction with reallocation of ticket counter preferential use assignments, which are decided by SFOTEC, with Airport oversight, based on flight activity and new ITB Ticket Counter Management Protocols.
- A key objective of the new ITB Ticket Counter Management Protocols is to provide each airline with a regular check-in location, with the maximum number of positions desired (if available).
- Reduction, relocation, and/or reallocation of ATO space held by airlines under Lease and Use Agreements will occur only after the City has determined that (1) there is no unassigned ATO space on Floors 3 or 3M, (2) there is no ATO space that may be recovered for reassignment from airlines with space permits, and (3) the reduction, relocation, and/or reallocation of leased ATO space will not reduce any affected Lease and Use Agreement lessee's space below a minimum operating unit.

C. Procedures for Non-Entitlement Space

- "Non-Entitlement Space" refers to all Exclusive use space with a Lease & Operation Agreement that is not "ATO Space".
- To reduce or relocate Non-Entitlement Space, the Airport shall develop and present a plan and accompanying rationale to SFOTEC and the impacted airline(s). Airlines have a 30 day period
- At the end of the 30 day comment period, the Airport shall deliver a notice to the airline(s) required to reduce or relocate space in accordance with the plan, noting that the plan may have been modified during the review process.
- Non-Entitlement Space requires 90 days notice to recover.

D. Buyout Provisions

- When pursuant to these provisions, reduction or relocation of both Entitlement and Non-Entitlement Space is subject to buyout by the Airport of the value of the improvements amortized on a straight-line basis over the remaining term of the Lease and Use Agreement. If, however, exclusive use space is voluntarily surrendered by an airline, then the Airport is not obligated to offer buyout compensation.

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ITB MAINTENANCE AND OPERATIONS RESPONSIBILITIES

Key: A – Airline/ C – City/ T - Non-Airline Tenants

	TERMINAL BUILDINGS					LANDING AREAS			
	Leased Space - Full Public Exposure[1]	Leased Space - Unexposed[2]	Airline Leasable Vacant	FIS Space	Public Space	Runways	Taxiways	Parking Ramps	Cart Roads
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-- Heating of Premises	C	A	C	C	C	---	---	---	---
-- Cooling of Premises	C	A	C	C	C	---	---	---	---
Water and Sewerage	---	A[3]	C	C	C	---	---	---	---
Power Supply to Premises[4]	C	C	C	C	C	C	C	C	C
Lighting[5]	C	A	C	C	C	C	C	C	C
Cleaning[6]	C	A	C	C	C	C	C	A	C
Trash Removal	C	A	C	C	C	C	C	A	C
Window Washing - Interior	C	A	C	C	C	---	---	---	---
- Exterior	C	C	C	C	C	---	---	---	---
Decorative/Maintenance/ Replacement/Repair									
- Walls, Doors, Furniture, Fixture, Windows, Ceilings, Carpets, Floors	C	A	C	C	C	---	---	---	---
Plumbing and Fixtures	---	A	C	C	C	---	---	---	---
Building - Structural	C	C	C	C	C	---	---	---	---
- Interior	C	A	C	C	C	---	---	---	---
- Exterior	C	C	C	C	C	---	---	---	---
Paving – Repair and Replacement	C	C	C	C	C	C	C	C	C
Baggage - Claim Devices	A	A	---	A	---	---	---	---	---
- Conveyors	A	A	---	A	---	---	---	A	---
Passenger Loading Bridges Maint.	A	A	---	---	---	---	---	A	---
Keys and Locks	C	A	C	T	C	---	---	---	---
Security Doors	C	C	C	C	C	---	---	---	---
Fuel Lines	---	---	---	---	---	---	A[7]	A[7]	A[7]

Other

400HZ Power - Airlines

Preconditioned Air - City responsible through the building and loading bridges. Airlines responsible for all hoses from loading bridges to aircraft.

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[2] Includes Offices, VIP Clubs/Lounges, Baggage Operations, Storage/Equipment Rooms
[3] Airport will inspect and maintain potable water backflow devices.
[4] Usage of all power shall be estimated, or measured by meter. Meters to be installed at Lessee's expense.
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[6] Includes passenger loading bridge interiors
[7] May be performed through SFO Fuel LLC.

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

INTEROFFICE MEMORANDUM

TO: Alan Gibson **DATE:** October 6, 1999

FROM: Dorothy Schimke, Senior Property Manager
Department of Aviation Management

SFO Terminal Equipment Company, LLC

The airlines that will operate at the new International Terminal Building (ITB) are forming a limited liability company, SFO Terminal Equipment Company, LLC (SFOTEC). The purpose of this company is to operate and maintain certain equipment and joint use space in the ITB and to schedule the usage of such joint use equipment and space among airline members and non-member users.

(1) Operation and Maintenance of Equipment

Maintenance of certain operating equipment and systems owned by the Airport will be the responsibility of SFOTEC. This equipment includes but is not limited to passenger loading bridges, the baggage system, the preconditioned air system, the 400 Hz ground power system, flight and baggage information display systems and common use telephones at gate podiums and ticket counters.

(2) Gate and Ticket Counter Scheduling

Gate scheduling: The scheduling of the new ITB's 24 joint use gates will be managed by SFOTEC, subject to Airport approval, to maximize the efficient use of those gates. Determination of gate usage policy and final resolution of conflicts will rest solely with the Airport Director.

Ticket counter assignment and management: The assignment of the new ITB's 168 joint use ticket counters will be managed by SFOTEC, subject to Airport approval, in accordance with Ticket Counter Management Protocols designed to maximize the efficient use of those ticket counters. Determination of ticket counter usage policy and final resolution of conflicts will rest solely with the Airport Director.

(3) Management Services

Tower operations: The ground movement of aircraft into and out of the new ITB, and within non-movement zones designated by the Airport, will be managed by SFOTEC.

Cleaning and Maintenance: SFOTEC will also manage janitorial services for non-public joint use areas, and ramp sweeping.

Accounting: SFOTEC will be responsible for allocating costs and distributing billings among the airline members and non-member users.

(4) Coordination and Oversight

An Oversight Committee, chaired by the Airport and including both airline and Airport representation, will be responsible for setting SFOTEC's missions, addressing issues of mutual concern to the Airport and the airlines, and reviewing SFOTEC's performance.

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

TO: Alan Gibson **DATE:** October 6, 1999

FROM: Dorothy Schimke

Airport Rates and Charges

Background

In 1979 a number of airlines filed suit to litigate certain complaints against the City, including an allegation that Airport revenues were being unlawfully diverted to the City's General Fund. (Federal law prohibits the expenditure of airport revenues for non-airport purposes.) In early 1980 the City and the airlines that were parties to the suit entered into settlement negotiations that resulted in a detailed Settlement Agreement and an Airline-Airport Lease and Use Agreement ("the LU"). Provisions for a substantial restructuring of the financial operation of the Airport, including the methodology for calculating Airport Rates and Charges, were incorporated into the LU as part of the Settlement Agreement.

Calculation of Rates and Charges

In general, the airlines are obligated to pay terminal building rental rates and landing fees in amounts that, when included with all other Airport revenues, will be sufficient to cover all annual Airport costs. Rates are adjusted annually. Terminal rate adjustments are based on the average cost per square foot of providing, maintaining and operating the terminal building areas.

A simplified outline of the methodology for calculating Airport terminal rents is as follows:

1. **Expense Forecasting**. Airport forecasts its expenses, including both operating and capital expenses, for the upcoming fiscal year.
2. **Revenue Forecasting**. Airport forecasts its non-airline terminal revenues for the upcoming fiscal year.
   - Concession revenues
   - Rents from non-airline tenants
   - Other revenues (e.g., interest on unexpended capital funds)

3. **Annual Service Payment**. 15% of Concession revenues goes to City's general fund as compensation for indirect services to the Airport.
4. **Calculation.**
   - Non-airline revenues (net of Annual Service Payment) are set off against projected expenses.
   - Remainder (expenses that are not covered by non-airline revenues) is divided by the total square feet of terminal space rented by airlines to determine average rent per square foot, which is then apportioned into five rate categories.
   - The higher the number of square feet rented to airlines, the lower the effective rental rate required to recover the terminal costs.

Attachment VII

San Francisco International Airport

GATEWAY TO THE PACIFIC

JOINT USE FORMULA FOR THE NEW ITB

The total charges for each room comprising joint use space shall be divided among the airlines using the new ITB according to the following formula:

- Twenty percent of each joint space shall be divided equally among all airlines using that joint use space. Since Alaska Airlines will use only 53.4 percent of the joint use spaces, it will pay 1/26th of the 20 percent payment for those spaces. For all other joint use spaces, the remaining 25 airlines will pay 1/25th each. These proportions will change as individual airlines start or cease international flight operations at the new ITB.

- Eighty percent shall be divided as follows. Each airline using the joint use space pays that proportion which the number of its passengers enplaning and/or deplaning at the new ITB bears to the total number of passengers enplaning and/or deplaning at the new ITB. The proportions for each type of joint use space are calculated on the following bases:

Category	Type of Space	Type of Passenger
I	Ticket counter/gate holdroom	new ITB enplaned passengers
II	Baggage claim /Federal Inspection Service	new ITB deplaned passengers
II	Other 3rd floor and above, and 1st floor passenger access	new ITB total enplaned and deplaned passengers
III	Other enclosed, 2nd and below	new ITB total enplaned and deplaned passengers
IV	Inbound baggage handling	new ITB deplaned passengers
IV	Outbound baggage handling	new ITB enplaned passengers
V	Other unenclosed	new ITB total enplaned and deplaned passengers

- If for any reason the number of passengers enplaning and/or deplaning at the new ITB in the prior fiscal year for any of the airlines using the joint use space constitute an inappropriate basis for forecasting that airline's passenger volume for the year in which the charges are levied, the City can make appropriate adjustments in order to equitably apportion the total costs among all of the airlines using such joint use space.

SAN FRANCISCO INTERNATIONAL AIRPORT · PO BOX 8097 · SAN FRANCISCO CALIFORNIA 94128 · TELEPHONE (650) 794-5000 · FAX (650) 794-5005

Items 10 and 11 – Files 99-1412 and 99-1413

Department:	Residential Rent Stabilization and Arbitration Board (RNT)
Item:	File 99-1412 Ordinance amending Chapter 37 of the San Francisco Administrative Code (the "Residential Rent Stabilization and Arbitration Ordinance"), by adding Section 37.6A to require the Residential Rent Stabilization and Arbitration Board to obtain a neutral, comprehensive, fact-based socio-economic study of the effect of the Residential Rent Stabilization and Arbitration Ordinance in San Francisco; and providing that, pending completion of the study, any proposed substantive amendment to the Residential Rent Stabilization and Arbitration Ordinance must be supported by independent fact-based findings prepared by a neutral entity. File 99-1413 Ordinance appropriating $175,000 from the General Fund Reserve to the Residential Rent Stabilization and Arbitration Board to fund a fact-based socio-economic study of the effects of Chapter 37 of the San Francisco Administrative Code (the "Residential Rent Stabilization and Arbitration Ordinance"), for Fiscal Year 1999-2000.
Amount:	$175,000
Source of Funds:	General Fund Reserve
Description:	File 99-1412 This proposed ordinance would authorize the RNT to obtain a comprehensive, fact-based study of the socio-economic effects of the Residential Rent Stabilization and Arbitration Ordinance in San Francisco. The ordinance proposes that the study be completed and reported in writing within one year and be conducted by neutral researchers. The ordinance states that the RNT is to organize a joint meeting with the Board of Supervisors "in order for members of the respective boards to share ideas

on the scope of The Study, and in order to hear from interested members of the public" (Section 37.6A(b)(1)). Furthermore, as part of determining the scope of the report, the RNT is to consult with one or more public or private entities outside City government which have related expertise.

Section 37.6A(c) of this ordinance states that "Until such time as The Study has been completed and reported in writing to the Rent Board and Board of Supervisors, any substantive amendment proposed to the Board of Supervisors for the Residential Rent Stabilization and Arbitration Ordinance (San Francisco Administrative Code Chapter 37) shall include independent fact-based findings in support, prepared by a neutral entity".

Section 37.6A would be entirely new. In accordance with Section 37.6A(d), once the subject study has been completed and reported in writing to the RNT and to the Board of Supervisors, the City Attorney is to draft an ordinance for the Board of Supervisors removing Section 37.6A from Chapter 37 of the Administrative Code. Ms. Marie Corlett Blits of the City Attorney's Office advises that the intention of Section 37.6A(d) is to ensure that Section 37.6A would be deleted from the Administrative Code once the subject study had been completed. Ms. Blits advises that it was not possible to include an automatic "sunset clause" in the ordinance as the subject study does not have a fixed completion date.

File 99-1413

This ordinance would appropriate $175,000 from the General Fund Reserve to fund a professional services contract to conduct the above-noted study.

Budget: $175,000 for a professional services contract.

Comments: 1. As stated in the findings section of the proposed ordinance under File 99-1412, the purposes of this ordinance are to (a) better inform the Board of Supervisors regarding future changes to the Residential Rent Stabilization and Arbitration Ordinance, (b) improve

the quality and utility of that ordinance, and (c) assist the City and its leaders in the formulation of housing policies.

2. The proposed ordinance under File 99-1413 would appropriate $175,000 for a fact-based socio-economic study. According to Mr. Joe Grubb of the RNT, the requested $175,000 would be expended for a professional services contract which would be awarded through a Request for Proposal process, taking into account both vendor qualifications and costs. Mr. Grubb advises that the Request for Proposal would reflect the issues and desired outcomes raised by the joint public meeting of the RNT and the Board of Supervisors. According to Mr. Grubb, the Request for Proposal would be sent to vendors as directed by the Purchasing Department, and would be advertised in local newspapers and on the RNT's internet site for at least one month. Mr. Grubb advises that the timing of this advertising would depend on when the ordinance was approved.

3. As of the writing of this report, Mr. Grubb states that he is unable to estimate the number of hours or the hourly rates of the subject professional services contract.

4. Pending submission to the Board of Supervisors of (a) the selected contractor, (b) the estimated number of hours, and (c) the hourly rates of the selected contractor, the requested funds of $175,000 under File 99-1413 should be placed on reserve.

Recommendations:

1. In accordance with Comment No. 4 above, amend the proposed ordinance to reserve $175,000 pending selection of the contractor, and submission of the selected contractor's estimated hours and hourly rates to the Board of Supervisors (File 99-1413).

2. Approval of the proposed ordinance (File 99-1412) and the proposed ordinance, as amended (File 99-1413), is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 12 – File 98-1238

Department: Department of Parking and Traffic (DPT)
Parking Authority
Mayor's Office of Public Finance

Item: Resolution approving the issuance of not to exceed $8,500,000 in Lease Revenue Bonds by the Parking Authority to finance the construction of the North Beach Parking Garage Project, approving the execution and delivery of a Project lease between the Parking Authority, as lessor, and the City, as lessee (including certain indemnification provisions therein), approving the form and circulation of an official statement relating to such bonds, authorizing the payment of certain costs of issuance from the proceeds of such bonds, correcting legal title to the property, ratifying previous actions taken in connection with the foregoing matters, and authorizing the taking of appropriate actions in connection therewith.

Amount: Not to exceed $8,500,000

Source of Funds: Lease Revenue Bonds

Description: Under the proposed legislation, the Parking Authority is requesting that the Board of Supervisors approve the issuance of $8.5 million of lease revenue bonds and the related necessary documents in order to finance the construction of the North Beach Parking Garage.

In November of 1987, voters approved Proposition F which authorized the Parking Authority to issue lease revenue bonds to fund the construction of parking lots and parking garages in certain San Francisco neighborhoods. Although there was no specific dollar amount set forth in Proposition F, the North Beach/Broadway area was one of the specific eight areas authorized for construction of a parking lot or garage. As stated in the November of 1987 voter handbook, Proposition F required that the Parking Authority lease the parking garages to the City and that the City make the lease payments on the Lease Revenue Bonds from the City's General Fund. In accordance with Proposition F, the General Fund would then be reimbursed from the

parking revenues which accrue to the City's Offstreet Parking Fund. The Offstreet Parking Fund receives parking revenues primarily from City-owned parking lots and parking garages and from parking meters.

The former North Beach Parking Garage and Lot was located at 735-755 Vallejo Street, at the intersection of Churchill Alley, Lots 23 and 25 in Assessor's Block 147. Lot 23 previously contained a two-story garage, known as the North Beach Parking Garage, and Lot 25 contained a surface parking lot. The site has an area of approximately 18,906 square feet. The North Beach Parking Garage was a privately-owned and operated, self-parking facility with 48 parking spaces delineated by painted lines. The adjacent parking lot had 34 parking spaces delineated by painted lines. In total, the North Beach Parking Garage and Lot had 82 parking spaces available to self-parkers. If the Garage and Lot were filled with vehicles parked by valets, who were able to park cars more densely than the areas delineated by painted lines, then the Garage and Lot had a capacity of approximately 115 vehicles, according to Mr. Ron Szeto of the Department of Parking and Traffic.

In 1992, the Parking Authority, using parking revenues from the Offstreet Parking Fund, as appropriated by the Board of Supervisors (File 101-88-117), purchased the privately-owned North Beach Parking Garage and the adjacent parking lot for $4.7 million in anticipation of constructing a City parking garage for public use. In 1993, DPT contracted out the design to Tai Associates for a seven-level, 330 space self-parking garage with the intention of receiving either a variance from the height and bulk restrictions of the North Beach RH2 residential zone or a rezoning of the property. However, after several years of public meetings and efforts by DPT to earn approval of the proposed design, such permission was denied by the Planning Commission because the neighbors objected to the size of the structure.

In 1997, DPT decided to obtain a new scaled down design from the Department of Public Works' Bureau of Architecture at a cost of $360,000 for a four-story, 203 space self-parking garage, which was within the height

and bulk limits defined for the RH2 zone. Mr. Szeto advises that if the garage were filled with vehicles parked by valets, who were able to park vehicles more densely than the areas delineated by painted lines, the proposed new North Beach Parking Garage would have a capacity of approximately 300 vehicles. The proposed design was approved by the Planning Commission in November of 1997 and the Capital Improvement Advisory Committee (CIAC) in December of 1997.

According to Mr. Szeto, DPT demolished the old North Beach Garage in April of 1998 because the Garage had (1) only one ramp, the width of 1.5 vehicle lanes, for use by vehicles moving between the upper and lower floors, which resulted in a dangerous situation, (2) severe roof leaks, and (3) poor lighting. Following demolition, DPT paved the former Garage area, thereby joining it to the existing adjacent parking lot to serve as one paved parking lot.

Budget: $15,911,330

Mr. Szeto provided a North Beach Parking Garage Project budget, including both the expenditures and the revenue sources, which is contained in Attachment I to this report.

Comments: 1. According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, this proposed issuance of up to $8.5 million in Lease Revenue Bonds for construction of the North Beach Parking Garage Project would be the first bond issuance authorized under Proposition F.

2. According to Ms. Lisa-Anne Wong of the City Attorney's Office, there has been a pending lawsuit concerning the North Beach Parking Garage from a community organization called Snarled Traffic Obstructs Progress (STOP). STOP sued the City with charges of improper environmental review and violation of the Planning Code. On July 23, 1998, the City won the Trial Court lawsuit. However, Ms. Wong notes that on September 10, 1998, STOP appealed this decision to the State Court of Appeals and on August 31, 1999, the City won the appeal. Subsequently, STOP petitioned the State Court of Appeals for rehearing, which was denied by the

Court on September 23, 1999. STOP's only recourse at this point is to file a petition with the State Supreme Court to hear the matter, according to Ms. Wong. However, Ms. Wong advises that the deadline for filing such a petition is October 12, 1999. Therefore, as of the writing of this report, it is not known whether STOP has filed this final petition with the State Supreme Court. Ms. Wong reports that if such a petition is filed, she will notify the Budget Analyst when she is notified by the Court.

3. Mr. Szeto provided Attachment II, which contains a list of the bidders and the amounts bid for the construction of the North Beach Parking Garage. As shown in Attachment II, the selected bidder is MH Construction Management Co. at a cost of $5,986,312. Mr. Szeto advises that the MH Construction Management Co. bid was the lowest responsive and responsible bidder because the two lower bidders did not meet the Human Rights Commission's (HRC) requirements.

4. Mr. Szeto notes that the construction would begin as soon as the proceeds from the sale of the subject $8.5 million Lease Revenue Bonds are available, which is estimated to be in early December of 1999. Mr. Szeto estimates that the construction of the new Garage will take approximately 12 months, depending on the amount of delays caused by rainy weather this coming winter. The new North Beach Parking Garage is anticipated to be open for revenue operation by April of 2001. Mr. Szeto reports that the DPT will undertake a competitive bid process in approximately September of 2000 to select the operator for the new Garage. The agreement with the parking operator will be subject to the Board of Supervisors approval.

5. As shown in Attachment I, the total estimated project cost for the North Beach Parking Garage is $15,911,330. However, Ms. Hollenbeck advises as shown on Attachment I the costs of $1,994,817 is the cost to finance the lease revenue bonds which includes 21 months of capitalized interest on the bonds and a debt service reserve that could be used to pay for the final year of debt service on the lease revenue bonds. In addition to the $4.7 million which DPT paid to purchase the property in 1992,

an additional $1.2 million ($5,899,068 total expenditures incurred to date less $4.7 million acquisition costs) of costs for planning, design, construction management and contingency fees have already been incurred on this project, in accordance with prior appropriation approval by the Board of Supervisors. As shown in Attachment I, costs incurred to date have been paid from the Offstreet Parking Fund ($5,360,319) and from previously authorized 1994 Parking Meter Revenue Bonds ($538,749). Aside from the construction costs of $5,986,312, to complete the project, an additional approximately $4 million are to be incurred, of which approximately one-half, or $2 million, includes another $298,000 for planning and design, $320,000 for relocation and mitigation measures, approximately $100,000 for permits and fees and another $100,000 for art enrichment, and $600,000 for construction management and another $600,000 for the construction contingency. As noted above, the remaining approximately $2 million is for costs of issuance of the bonds, and funding of a capitalized interest fund and debt service reserve fund for the proposed Lease Revenue Bonds. As shown in Attachment I, in addition to the subject $8.5 million of lease revenue bonds, the remaining financing for the proposed project will come from $1,512,262 of 1994 Parking Meter Revenue Bonds.

6. According to Mr. Szeto, the proposed new North Beach Parking Garage would have a total of 203 self-parking spaces, which is an increase of 121 parking spaces over the 82 self-parking spaces available in the previous Garage. If valet parking is used, the Garage would have approximately 300 parking spaces, an increase of 185 valet parking spaces over the approximately 115 available in the old Garage. However, Mr. Szeto reports that the proposed issuance of up to $8.5 million in Lease Revenue Bonds assumes that the Garage will be used for the 203 self-parking vehicles.

7. Mr. Szeto reports that the parking lot is currently being used by the Police Department for parking approximately 40 Police and private vehicles in connection with the adjacent North Beach Police Station. Mr. Szeto advises that this is based on an informal agreement between the

DPT and the Police Department and neither the Parking Authority nor the DPT receives any revenues from the Police Department for their use of this parking lot. Mr. Szeto notes that prior to the demolition of the old North Beach Parking Garage, the Police Department parked approximately 22 private vehicles in the old North Beach Parking Garage. Mr. Harry Quinn of the Real Estate Department reports that once the construction begins on the new North Beach Parking Garage, the North Beach Police Station will use approximately 22 spaces in the City-owned Vallejo Street Garage, which is immediately opposite the proposed new North Beach Parking Garage. Mr. Quinn reports that the Police will likely occupy these spaces until construction of a new Police Station is completed on the Broadway Parcels which were recently acquired from Caltrans.

8. Ms. Hollenbeck provided Attachment III, which identifies the net revenue coverage over the base rental payments for the proposed lease revenue bonds. Ms. Hollenbeck notes that these are draft documents since the actual interest costs, time period and related rental payments cannot be determined precisely until the bonds are actually sold. Ms. Hollenbeck advises however, that the interest rate is estimated at six percent over a 30-year bond period.

As shown in Attachment III, if the proposed lease revenue bonds are sold in a principal amount of $8.5 million, at an estimated annual interest rate of six percent over a 30-year period, the City's total principal and interest cost will be $17,754,700, including $8.5 million of principal costs and $9,254,700 of interest payments. As indicated in Attachment III, the projected parking revenues from the North Beach Parking Garage, less the parking taxes and the operating expenses, are projected to cover the base annual rental payments on the lease revenue bonds every year, except for one year (Year 3), when a slight deficit of $14,011 is projected to occur. During every other year, a surplus is projected to occur, after the payment of the lease payments. Over the 30-year life of the bonds, the cumulative surplus in revenue is projected to be $11,390,384.

The Budget Analyst notes that, in accordance with Proposition F and the proposed legislation, the City's General Fund will be responsible for paying the base rental payments on the $8.5 million lease revenue bonds. In turn, the City's Offstreet Parking Fund, which will receive the net operating revenues from the North Beach Parking Garage, will reimburse the City's General Fund for these payments.

9. Ms. Theresa Alvarez of the City Attorney's Office reports that the proposed legislation includes a quit claim provision that is necessary because when the Parking Authority purchased the North Beach Parking Garage in 1992, the grant deed was supposed to vest legal title with the Parking Authority. However, the grant deed inadvertently vested legal title with the City and County of San Francisco. The proposed quit claim provision will correct this error by transferring the legal title from the City and County of San Francisco to the Parking Authority.

Ms. Alvarez also advises that an Amendment of the Whole will be introduced at the October 13, 1999 Finance and Labor Committee Meeting, to make technical amendments to the proposed legislation, including incorporating various dates and changing the proposed ordinance to a resolution.

Recommendation: Contingent on subsequent advice from the City Attorney's Office pertaining to further potential litigation, approval of the proposed resolution is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

Attachment I

North Beach Garage
(Sources and Uses of Funds)

Sources of Funds	Uses of Funds for Expenditures to Date	Uses of Funds for Expenditures During Construction	Total
Parking Revenue Fund	5,360,319		5,360,319
Series 1994 Bonds - Project Fund	538,749	1,512,262	2,051,011
Series 1999 Bonds for Construction		850,000 6,505,183	6,505,183
Series 1999 Bonds for Financing + Reserves		1,994,817	1,994,817
Totals	5,899,068	10,012,262	15,911,330

Uses of Funds	Expenditures to Date	Expenditures During Construction	Total
Planning & Design Costs	946,964	298,000	1,244,964
Demolition	219,784		219,784
Relocation/Mitigation/P G & E		320,000	320,000
DBI Plan Check & Permits		65,000	65,000
City Planning Fees		44,502	44,502
Construction Management	20,641	600,000	620,641
Site Work		235,000	235,000
Pouring Concrete, Forming & Post Tension		3,379,319	3,379,319
Exterior Details		1,231,000	1,231,000
Interior Details		1,140,993	1,140,993
Art Enrichment	11,679	105,000	116,679
Construction Contingency		598,631	598,631
Property Acquisition	4,700,000		4,700,000
Bond Costs + Reserves (1)		1,994,817	1,994,817
Total	5,899,068	10,012,262	15,911,330

1) Figure given by Public Finance

Post-it® Fax Note 7671	Date	# of pages ▶
To Ron Szeto	From Patrick	
Co./Dept.	Co.	
Phone #	Phone #	
Fax # 554-9934	Fax #	

City and County of San Francisco
Department of Public Works

TABULATION OF BIDS

SPEC NO.: 5346AR

TITLE: North Beach Parking Garage
Department of Parking and Traffic

BIDS RECEIVED: February 17, 1999

BIDDERS:

Bidder		Base Bid	Alt. 1	Total
Aram Enterprises, Inc. dba AR Construction Co.	MBE/LBE	5,640,000	7,000	5,647,000
D.J. Amoroso/TSM, a J.V.	MBE/LBE/JV 7.5%	5,826,281	14,400	5,840,681
(*) MH Construction Management Co.	MBE/LBE	5,959,000	27,312	5,986,312
NIBBI D F P F JV	JV 7.5%	5,992,000	6,000	5,998,000
Barnes/Agbayani JV	MBE/LBE/JV 10%	6,389,000	19,000	6,408,000
Chiang C.M. Construction, Inc.	MBE/LBE	6,646,845	6,874	6,653,719
	Average Bid:	6,075,521		
	Architect Estimate:	6,100,000		
	% of Architect's Estimate:	100%		

(*) CONTRACT TO BE AWARDED TO MH CONSTRUCTION

APPARENT LOW BIDDER: Aram Enterprises, Inc. dba AR Construction Co.
6345 Third Street
San Francisco, CA 94124
Tel (415) 656-2800

The following was announced at the bid opening: "the construction budget is $6,100,000"

SUBCONTRACTORS:

Shaw-Guehnemann	Demo., site prep., paving & excav.	209,000	ABM Painting	Painting & special coating	78000
Gilen Growth	Irrigation & landscape	27,000	Thysen	Elevators	181000
Dolan Concrete	Site concrete	26,000	Grinell	Fire protection	81000
Landavazo Bros.	Concrete place & finish	77,000	D&S Plumbing	Plumbing	110000
American Tile	Brick veneer	130,000	Yum's Mechanical Co.	HVAC, flashing & metal roof	58000
Pacific Coast	Structural Steel, stairs, steel deck & metals	650,000	Sierra	Electrical	399000
LTM	Form work	920,000	Inter Technonics	Parking Control Equip.	129000
RFJ Meiswinkel	Gypsum Board & E.I.F.S	45,000	Dees-Hennessey	Shotcrete	198000
Lincoln Glass	Windows & glazing	145,000	Harris Rebar	Rebar	539000

cc: Patrick Rivera, Mark Primeau, Veronica Ng, Harlan Kelly, Don Eng, Joe Cheung, Tara Lamont, Maurice Williams, DPW Accounting, Helen Liu, Bill Webb, All bidders

Attachment II

DRAFT

$8,500,000
Parking Authority of the City and County of San Francisco
North Beach Parking Garage Project
30-Year Lease Revenue Bond

SOURCES OF FUNDS

Par Amount of Bonds	$	8,500,000.00
Accrued Interest from 12/01/1999 to 12/02/1999		1,416.67
TOTAL SOURCES	$	8,501,416.67

USES OF FUNDS

Total Underwriter's Discount (plus Bond Insurance)		175,633.20
Costs of Issuance		300,000.00
Deposit to Debt Service Fund		1,416.67
Deposit to Debt Service Reserve Fund (DSRF)		628,100.00
Deposit to Capitalized Interest (CIF) Fund		891,083.33
Deposit to Project Construction Fund		6,505,183.47
TOTAL USES	$	8,501,416.67

The Knight Group
San Francisco

October 7, 1999

DRAFT

San Francisco Parking Authority (North Beach Project)

Net Revenue Coverage Over Base Rental Payments
30-Year Lease Structure

Operating Year	Fiscal Year	Parking Revenue *(c)*	Parking Taxes	Operating Expenses *(d)*	Net Revenue Available for D/S	30-Year Base Rental Payment *(e)*	Surplus / (Deficit) After D/S	Cumulative Surplus / (Deficit)
	1999-00							
1	2000-01 *(a)*	260,392	(52,078)	(61,350)	146,963	-	146,963	146,963
2	2001-02 *(b)*	1,041,567	(208,313)	(245 400)	587,854	494 050	93,804	240,767
3	2002-03	1,072,814	(214,563)	(252,762)	605,489	619,500	(14 011)	226,756
4	2003-04	1,104,998	(221,000)	(260,345)	623,654	622,000	1,654	228,410
5	2004-05	1,160,248	(232,050)	(268,155)	660,043	623,900	36,143	264,554
6	2005-06	1,195,056	(239,011)	(276,200)	679,845	620,350	59,495	324,048
7	2006-07	1,230,907	(246,181)	(284,486)	700,240	621,350	78,890	402,938
8	2007-08	1,267,835	(253,567)	(293,020)	721,247	621,750	99,497	502,436
9	2008-09	1,305,870	(261,174)	(301,811)	742,885	621,550	121,335	623,771
10	2009-10	1,371,163	(274,233)	(310,865)	786,065	620,750	165 315	789,086
11	2010-11	1,412,298	(282,460)	(320 191)	809,647	619,350	190,287	979,383
12	2011-12	1,454,667	(290,933)	(329,797)	833,937	617 350	216,587	1,195,969
13	2012-13	1,498,307	(299,661)	(339,691)	858,955	619,600	239,355	1 435,324
14	2013-14	1,543,256	(308,651)	(349,882)	884,723	616,100	268,623	1,703,947
15	2014-15	1,620,419	(324,084)	(360,378)	935,957	616,850	319,107	2,023,055
16	2015-16	1,669,032	(333,806)	(371,190)	964,036	616,700	347,336	2,370,390
17	2016-17	1,719,103	(343,821)	(382,325)	992,957	615,650	377,307	2,747,697
18	2017-18	1,770,676	(354,135)	(393,795)	1,022,746	618 550	404 196	3,151,893
19	2018-19	1,823,796	(364,759)	(405,609)	1,053 428	615,400	438,028	3,589,921
20	2019-20	1,914,986	(382,997)	(417,777)	1,114,212	616,200	498,012	4,087,932
21	2020-21	1,972,435	(394,487)	(430,310)	1,147,638	615 800	531,838	4,619,770
22	2021-22	2,031,608	(406,322)	(443,220)	1,182,067	614,200	567,867	5,187,637
23	2022-23	2,092,557	(418,511)	(456,516)	1,217,529	616,250	601,279	5,788,916
24	2023-24	2,155,333	(431,067)	(470,212)	1,254 055	611,950	642,105	6,431,021
25	2024-25	2,263,100	(452,620)	(484,318)	1,326,162	611,300	714,862	7,145,883
26	2025-26	2,330,993	(466,199)	(498,848)	1,365,947	614,000	751,947	7,897,830
27	2026-27	2,400,823	(480,185)	(513,813)	1,406,925	610,050	796,875	8,694,705
28	2027-28	2,472,951	(494,590)	(529,227)	1,449,133	609,450	839,683	9,534,388
29	2028-29	2,547,139	(509 428)	(545,104)	1,492,607	607,050	885,557	10,419,945
30	2029-30	2,674,496	(534,899)	(561 457)	1,578,139	607,700	970,439	11,390,384
TOTAL					29,145,084	17,754,700	11,390,384	

(a) Garage begins commercial operation in April 2001.
(b) By comparison, Vallejo Garage (with 163 parking spaces) had actual parking revenue of $1,168 000 in FY98-99.
(c) Parking Revenue is projected to grow at 3% per annum, except for years 5, 10, 15, 20, 25 and 30 with 5% growth.
(d) Annual operating expenses are projected to grow at 5% per annum.
(e) Base Rentals calculated at 8% on 30-year Lease Revenue Bonds with 21 months of capitalized interest.

The Knight Group, Inc.
San Francisco

October 7, 1999

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10/99

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Clerk: Mary Red

Wednesday, October 20, 1999 | **10:00 AM** | **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Sue Bierman, Tom Ammiano.

Meeting Convened

The meeting convened at 10:02 a.m.

991852 **[Lease and Use Agreement Modifications to allow eight (8) airlines to relocate all international flight operations from Central Terminal Building to a new International Terminal Building as part of the Airport Master Plan Expansion Program]**

Resolution approving modifications the terms of Airline/Airport Lease and Use Agreements between the City and various airlines to allow such airlines to relocate international flight operations to the New International Terminal. (Airport Commission)

9/28/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

10/13/99, CONTINUED. Continued to October 20, 1999.

Continued to November 3, 1999.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991853 **[New lease and operating agreements to allow eighteen (18) airlines to relocate all international flight operations from Central Terminal Building to a new International Terminal Building as part of the Airport Master Plan Expansion Program]**

Resolution approving the terms of lease and operating agreements between the City and various airlines to allow such airlines to relocate international flight operations to the New International Terminal. (Airport Commission)

9/28/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

10/13/99, CONTINUED. Continued to October 20, 1999.

Continued to November 3, 1999.

CONTINUED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991861 **[Appropriating State and Federal funds to expand child welfare services, food stamp program and to provide aid payments for the Cash Assistance Program for Immigrants]**

Ordinance appropriating $12,690,062 of State and Federal Revenues to fund augmentation of Child Welfare Services, aid payments for the Cash Assistance Program for Immigrants (CAPI), expand food stamps outreach and eligibility determination and create 19.5 positions at the Department of Human Services, and adjust revenue appropriations as necessary, for fiscal year 1999-2000. (Controller)

(Companion measure to File 991862.)

9/29/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Julie Brenman,Department of Human Services. Amended to provide for retroactivity; reduce Medi-Cal/CAPI Aid by $4,129,713, permanent salaries by $3,396; fringe benefits by $849, and to reduce the total request to $8,556,104

AMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

Ordinance appropriating retroactively, $8,556,104 of State and Federal Revenues to fund augmentation of Child Welfare Services, aid payments for the Cash Assistance Program for Immigrants (CAPI), expand food stamps outreach and eligibility determination and create 19.5 positions at the Department of Human Services, and adjust revenue appropriations as necessary, for fiscal year 1999-2000. (Controller)

(Companion measure to File 991862.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

991862 **[Salary Ordinance Amendment, Dept. of Human Services]**

Ordinance amending Ordinance No. 209-99 (Annual Salary Ordinance, 1999 2000), reflecting the creation of 19.5 positions at the Department of Human Services. (Controller)

(Companion measure to File 991861.)

9/29/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Julie Brenman,Department of Human Services.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

991880 **[Government Funding, State Relief Funds]**

Mayor

Ordinance appropriating $3,101,242 in state relief funds for local governments to offset a shortfall in the state allocation of tobacco tax fund revenues to San Francisco and to provide funding for the California Healthcare for Indigents Program, at the Department of Public Health, for fiscal year 1999-2000.

10/4/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Monique Zmuda, Department of Public Health; Supervisor Yee; Ed Harrington, Controller

RECOMMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991769 [Recreation and Park Department Bonds]

Supervisors Newsom, Kaufman, Leno, Ammiano, Bierman, Yaki, Teng, Becerril, Brown, Katz

Draft resolution determining and declaring that the public interest and necessity demand municipal improvements consisting of the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of parks and recreation facilities and properties, and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $110,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Administrative Code Section 2A.53.

(Fiscal impact.)

9/21/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Michael Farrah, Aide to Supervisor Newsom; Supervisor Yee; Joel Robinson, Acting General Manager, Recreation and Park Department; Supervisor Bierman. In Support: Chris Duderstadt. Opposed: Lloyd Schlaegel.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE.

Resolution determining and declaring that the public interest and necessity demand municipal improvements consisting of the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of parks and recreation facilities and properties, and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $110,000,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Administrative Code Section 2A.53.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991770 [California Academy of Science Bonds]

Supervisors Yaki, Ammiano, Newsom, Brown, Becerril, Leno, Kaufman, Katz, Bierman, Teng, Yee

Draft resolution determining and declaring that the public interest and necessity demand municipal improvements consisting of the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of the California Academy of Sciences, and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $87,980,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Administrative Code Section 2A.53.

(Fiscal impact.)

9/22/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Ammiano; Patrick Kociolek, Executive Director, Academy of Science. Opposed: Lloyd Schlaegel.

AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE.

Resolution determining and declaring that the public interest and necessity demand municipal improvements consisting of the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of the California Academy of Sciences, and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $87,445,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of a bonded indebtedness; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Administrative Code Section 2A.53.

(Fiscal impact.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991859 **[Purchase of property at 3rd and Arthur Streets to expand the Pump Station built in the 1960's, to comply with the current Regional Water Quality Control Board permit requirements]**

Resolution authorizing acquisition of Lots 3 and 4 in Assessor's Block 4501 for expansion of the Southeast Water Pollution Control Plant Booster Pump Station, and adopt findings pursuant to Planning Code Section 101.1. (Real Estate Department)

(Categorically exempt from environmental review and consistent with the eight priority policies of the Planning Code Section 101.1.)

9/29/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991860 **[Extension and modification of PTC/Municipal Railway Lease at 23rd and Illinois Streets for storage of street cars, materials and equipment at a monthly rate of $31,800]**

Resolution authorizing an extension and modification of an existing lease of real property at Twenty Third and Illinois Streets for the Public Transportation Commission, Municipal Railway. (Real Estate Department)

9/29/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Harry Quinn, Department of Real Estate

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

991867 **[Reserved Funds, Department of Public Works]**

Hearing to consider release of reserved funds, Department of Public Works, in the amount of $785,000 (Fiscal Year 1999-2000 Budget), to fund the services of Competent Building, Inc., contractor for the Japantown Peace Plaza Project. (Department of Public Works)

9/29/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee, Gary Hoy, Department of Public Works. In Support: Judy Nihei, Coordinator, Japantown Planning, Preservation & Development Task Force; Geri Handa, Japantown Peace Plaza Task Force.

APPROVED AND FILED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

991712 [Amendment(s) to the architectural and engineering agreement for the Moscone Center Expansion Project]

Resolution authorizing the Director of Administrative Services to execute amendment(s) to design agreement increasing the agreement sum from $9,526,326.38 to $14,026,326.38. (City Administrator)

(Fiscal impact.)

9/10/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

10/6/99, RECOMMENDED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Leonard Tom, Director of Finance, Moscone Center Expansion Project.

10/12/99, RE-REFERRED to Finance and Labor Committee. Supervisor Yee requested this matter be re-referred to committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Supervisor Yee; Leonard Tom, Director of Finance, Moscone Center Expansion Project; George Wong, Deputy City Attorney; Linda Chin, Human Rights Commission; Ray Fong, Project Manager; Ed Tong.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Bierman
Absent: 1 - Ammiano

991646 [Interim Controls, Live/Work]

Supervisors Ammiano, Bierman

Resolution imposing Interim Zoning Controls for a period of eight months to add live/work units to the definition of residential use in Article 8, Section §90.88 of the Planning Code; to delete the exemption from height limits for live/work units set forth in Planning Code Section 260(b)(2)(O), and to delete live/work units from the list of other uses set forth in Planning Code Section 227(p) and (q) and include live/work units in the list of dwellings set forth in Section 215; adopting findings pursuant to Planning Code Section 101.1.

8/23/99, ASSIGNED UNDER 30 DAY RULE to Finance and Labor Committee, expires on 9/22/1999. 8/31/99 - Transmitted to the Director of Planning for environmental review, pursuant to Section 306.7(c) of the Planning Code.

10/6/99 - From Planning Department, Certificate of Determination of Exemption/Exclusion from Environmental Review dated 10/4/99.

10/8/99, SUBSTITUTED. Substituted by the City Attorney bearing new title, 10/8/99.

10/8/99, ASSIGNED to Finance and Labor Committee. With request this item be calendared for the October 20, 1999 meeting.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

991335 [Medical Services at San Francisco Jail System]

Supervisors Yee, Ammiano, Bierman

Hearing to assess the true nature of medical attention to Vincent Hines and its relationship in his death in the San Francisco jail system.

7/6/99, RECEIVED AND ASSIGNED to Public Health and Environment Committee.

7/15/99, TRANSFERRED to Finance and Labor Committee.

7/21/99, CONTINUED TO CALL OF THE CHAIR. Supervisor Bierman added as cosponsor.

Heard in Committee. Speakers: Supervisor Ammiano; Van Jones, Executive Director, Ella Baker Center for Human Rights; Loretta Dorsey; Devi Coyle, Journalist, S. F. Bay View Newspaper; Shawna Virago, Tranzaction; Maria Laboy, Volunteer, Prison Legal Services; Michael Rebb; Susan Shah, Tranzaction; Michael Marcum, Assistant Sheriff; Supervisor Bierman; Ron Perez, Ombudsman, Sheriff's Department; Supervisor Yee.

CONTINUED TO CALL OF THE CHAIR by the following vote:

Ayes: 3 - Yee, Bierman, Ammiano

ADJOURNMENT

The meeting adjourned at 12:16 p.m.

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CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 15, 1999

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: October 20, 1999 Finance and Labor Committee Meeting

Item 1 - File 99-1852

Note: This item was continued by the Finance and Labor Committee at its meeting of October 13, 1999.

Department: Airport Commission

Item: Resolution approving modifications to the Airline/Airport Lease and Use Agreements between the City and eight airlines to allow these airlines to relocate their international flight operations to the new International Terminal Building at the San Francisco International Airport.

Location: New International Terminal Building (ITB) at the Airport

Purposes of Lease Modifications: The proposed resolution would modify the existing Lease and Use Agreements with the eight airlines listed below. The existing Lease and Use Agreements were approved by the Board of Supervisors in 1981. The lease modifications would permit the Airport to:

(a) relocate the eight airlines' international flight operations to the new ITB from the current International Terminal, which will then be converted for domestic flights. The current International Terminal is referred to in this report as the Central Terminal Building (CTB);

(b) change certain types of airline rental space from exclusive use to joint use;
(c) employ procedures for reducing, relocating, and/or reallocating exclusive use space in certain circumstances;
(d) preserve the rights of the eight airlines with Lease and Use Agreements to exclusive use space approximately equal to the exclusive use space they will be relinquishing in the CTB when they move to the new ITB;
(e) terminate a lease if an airline voluntarily ceases its international flight operations at the Airport, contingent on Board of Supervisors approval of such lease terminations; and
(f) permit United Airlines to lease increased exclusive use space in the North Terminal Building.

Lessor: City and County of San Francisco by and through the Airport Commission.

Lessees:
Alaska Airlines
China Airlines
Japan Airlines Co., LTD
Mexicana Airlines
Northwest Airlines
Philippine Airlines, Inc.
Singapore Airlines
United Airlines

Square Footage: There are three sets of space being leased: (1) 676,260 square feet of joint use space in the new ITB, (2) 93,594 square feet of exclusive use space in the new ITB, and (3) 451,492 square feet of United Airlines' exclusive use space in the North Terminal Building.

(1) Joint use space in the new ITB: According to Ms. Dorothy Schimke of the Airport, "joint use space" is airline rental space in a facility owned by the Airport which is leased to more than one airline for the shared use of all the airlines leasing that space. In the new ITB, 26 airlines will collectively lease 676,260 square feet of joint use space. These 26 airlines comprise (a) the eight airlines listed above, and (b) 18 other airlines. The Airport's proposal to enter into Lease and Operating

Agreements with those 18 other airlines is the subject of a separate resolution (see Item 9, File 99-1853, of this report to the Finance and Labor Committee).

The 26 airlines will pay rent for this 676,260 square feet of joint use space in accordance with Airport rates and charges, as set out in the Lease and Use Agreements. This joint use space is divided into the rental categories shown in Attachment I, provided by the Airport.

Attachment I shows (a) an estimated 548,691 square foot, or approximately 430 percent, increase in the joint use space to be leased by the 26 airlines, from the current 127,569 square feet of joint use space in the CTB to the 676,260 square feet of joint use space in the new ITB, and (b) an estimated $18,946,802, or approximately 178 percent, increase in the rent to be paid by those 26 airlines, from an estimated $10,627,232 in FY 1999-2000 to an estimated $29,574,034 in FY 2000-2001.

As Alaska Airlines will only use the new ITB for international arrivals from Mexico, it will be a joint use space lessee for 360,818 square feet of the total 676,260 square feet of joint use space. Therefore Alaska Airlines will be a joint use lessee for just the baggage claim, Federal Inspection Service, and inbound baggage unloading areas, and any other joint use spaces directly related to international arrivals. The amount of 360,818 square feet represents approximately 53.4 percent of the total joint use space available.

(2) Exclusive use space in the new ITB: Exclusive use space in the new ITB can consist of (a) airline ticket, baggage service, ramp operations, and administrative offices, (b) VIP clubrooms, and/or (c) other support space. The eight airlines will rent the amounts of exclusive use space in the new ITB as set forth in Attachment II, provided by the Airport. Attachment II shows (a) an estimated 24,048 square foot, or approximately 34.6 percent, increase in the exclusive use space to be leased by the eight airlines, from the current 69,546 square feet of exclusive use space in the CTB to the 93,594 square feet of exclusive use space in the new ITB, and (b) an estimated $895,233, or approximately 16 percent,

decrease in the rent to be paid by those eight airlines for their exclusive use space, from an estimated $5,600,856 in FY 1999-2000 to an estimated $4,705,623 in FY 2000-2001. According to Ms. Schimke, the rental rates are calculated on a cost recovery basis, as prescribed in the Lease and Use Agreement and explained in Attachment VI.

(3) United Airlines exclusive use space in the North Terminal Building: The modification to United Airlines' Lease and Use Agreement will also cover an increase of 116,939 square feet, or approximately 35 percent, in the exclusive use space leased by United Airlines in the North Terminal Building, from 334,553 square feet to 451,492 square feet. This 35 percent increase in exclusive use space is to provide adequate space for United Airlines' new automated baggage system for its domestic flight operations at the North Terminal Building (see Comment No. 8 below). The additional space is primarily Category IV baggage handling areas which United Airlines has taken over incrementally as it installed its new baggage system. According to Ms. Schimke, the Airport will be billing United Airlines for this additional space retroactively to July of 1999. As a result of this additional United Airlines rental space in the North Terminal Building, the Airport expects to realize from United Airlines additional rental revenue of $3,994,608 in FY 1999-2000, and $2,365,967 in FY 2000-2001.

Annual Airline Lease Revenue:

The Airport estimates that it will realize $37,161,803 in airline lease revenue in FY 2000-2001 from the new ITB's total airline rental space from all of the 26 airlines. Of this amount, the Airport will realize an estimated $29,574,034, or approximately 79.6 percent, from the 676,260 square feet of joint use space leased to all 26 airlines with international flight operations, as shown in Attachment I. Of the estimated balance of $7,587,769, or approximately 20.4 percent, which the Airport estimates that it will realize from rental of exclusive use space, an estimated $4,705,623 will be paid by the eight airlines with Lease and Use Agreements (as shown in Attachment II), and an estimated $2,882,146 will be paid by the 18

airlines with Lease and Operating Agreements (as shown in Attachment II of Item 9, File 99-1853, in this report to the Finance and Labor Committee).

The table below compares the estimated FY 2000-2001 airline lease revenues from the new ITB with the estimated airline lease revenues from the CTB in FY 1999-2000. Overall, the Airport anticipates a $19,082,405, or 106 percent, increase in airline lease revenues in FY 2000-2001 from the 26 airlines which have international flight operations at the Airport. (This table covers Items 8 and 9, Files 99-1852 and 99-1853, of this report to the Finance and Labor Committee.)

	CTB Square Feet	Estimated ITB Square Feet	Estimated % Difference in Square Feet	Estimated FY 1999-2000 Lease Revenue	Estimated FY 2000-2001 Lease Revenue	Estimated % Difference in Lease Revenue
Joint Use Space	127,569	676,260	430.0%	$10,627,232	$29,574,034	178%
Lease & Use Agreement Exclusive Use Space	69,546	93,594	35%	5,600,856	4,705,623	(16%)
Lease & Operating Agreement Exclusive Use Space	21,284	55,126	159%	1,851,310	2,882,146	56%
TOTAL	218,399	824,980	278%	$18,079,398	$37,161,803	106%

The Airport also expects, as a result of the increase in the United Airlines exclusive use space in the North Terminal Building, to realize an additional $3,994,608 in airline lease revenue in FY 1999-2000, and $2,365,967 in FY 2000-2001 from United Airlines.

Approval of both Files 99-1852 and 99-1853 will result in total estimated airline lease revenues for the Airport of $37,161,803 from the new ITB in FY 2000-2001. This represents an estimated increase of $19,082,405 over the estimated airline lease revenues for the Airport of $18,079,398 from the CTB in FY 1999-2000. This increase comprises the estimated additional (a)

$18,946,802 for joint use space in the new ITB, and (b) $1,030,836 for Lease and Operating Agreement airlines' exclusive use space in the new ITB (as described in Item 9, File 99-1853 of this report to the Finance and Labor Committee), offset by (c) a decrease of $895,233 in the revenues from Lease and Use Agreement airlines' exclusive use space in the new ITB. Furthermore, approval of File 99-1852 will result in additional airline lease revenue for the Airport of an estimated $2,365,967 in FY 2000-2001 from United Airlines' increased exclusive use space in the North Terminal Building. The Airport therefore estimates that it will receive additional airline lease revenues in the amount of $21,448,372 in FY 2000-2001.

Term of Modified Leases: Each of the proposed modifications to the Lease and Use Agreements between the City and the eight airlines will take effect upon full execution by the parties and final approval by the Board of Supervisors. All eight Lease and Use Agreements terminate on June 30, 2011.

Right of Renewal: None.

Maintenance and Operations: The respective responsibilities of the City and the eight airlines for maintenance and operations are contained in Attachment IV, provided by the Airport. Ms. Schimke states that the Airport's airline rental space rates are designed to cover all of the Airport's maintenance and operations overhead costs which are not covered by revenue from the Airport's concessions or other non-airline revenues.

Comments: 1. As part of the Airport's Master Plan Expansion Program, the Airport is constructing a new ITB which is scheduled for completion in May of 2000. All international flight operations currently conducted by the 26 airlines in the CTB, including those of the eight airlines under this subject resolution, will be relocated to the new ITB, allowing the CTB to be used as a third domestic terminal, according to Mr. Gary Franzella of the Airport. Mr. Franzella states that the reassignment of the CTB as a third terminal for domestic flight operations

and the opening of the new ITB as a fourth terminal will enable the Airport to increase the total number of passengers that the Airport can handle from an estimated 40 million in 1999, to an estimated 51 million in 2006, an increase of 27.5 percent.

2. Of the 26 airlines which will relocate their international flight operations to the new ITB, eight airlines, which are the subject of this resolution, have existing Lease and Use Agreements, effective July 1, 1981. These Lease and Use Agreements were previously approved by the Board of Supervisors. They are due to expire on June 30, 2011. Proposed modifications to these eight Lease and Use Agreements are the subject of this resolution.

3. Of the 26 airlines which will relocate their international flight operations to the new ITB, 18 airlines are the subject of Item 9, File 99-1853, of this October 13 report to the Finance and Labor Committee.

4. According to Mr. Franzella, in negotiating the proposed modifications to the Lease and Use Agreements, the Airport had the following objectives:

(a) To relocate the eight airlines' international flight operations from the CTB to the new ITB;
(b) To apply a joint use approach to as much space in the new ITB as possible, to maintain flexibility to address changes in the airline industry and accommodate increased international traffic demands;
(c) To provide a mechanism for reducing, relocating, and/or reallocating exclusive use space, as described in Attachment III, provided by the Airport;
(d) To preserve the rights of the eight airlines with Lease and Use Agreements to exclusive use space approximately equal to the exclusive use space they will be relinquishing in the CTB when they move to the new ITB. The replacement exclusive use space will be designated as "Entitlement Space" which may only be reduced or relocated through mutual agreement or the Airport's Right of Reaccess, as described in Attachment III;

(e) To designate any exclusive use space under an airline's Lease and Use Agreement that is in excess of (i) the exclusive use space relinquished by that airline in the CTB, and (ii) VIP clubroom space, as "Non-Entitlement Space", which could be reduced, relocated, and/or reallocated in accordance with the reallocation procedures described in Attachment III;

(f) To be able to terminate an airline's lease if the lessee voluntarily ceases international flight operations at the Airport, contingent on Board of Supervisors approval of such lease terminations; and

(g) To permit United Airlines to make changes to its exclusive use space in the North Terminal Building to accommodate expansion and modernization of its baggage system and other operating space.

5. Under the proposed resolution, the Airport would be authorized to modify the allocation of exclusive use space in the new ITB without further approval from the Board of Supervisors, as long as the modifications are consistent with the provisions contained in Attachment III. All other modifications to airlines' allocations of exclusive use space would require Board of Supervisors approval.

6. Under the existing Lease and Use Agreements with the subject eight airlines, joint use space includes only gate hold-rooms, baggage handling and baggage claim areas, and Federal Inspection Service areas. The joint use space approach is being expanded in the new ITB. According to Mr. Franzella, all of the new ITB's 168 ticket counters will be designated as joint use spaces, compared with only eight of the 111 ticket counters currently designated as joint use space in the CTB. The remaining 103 CTB ticket counters are exclusive use spaces under the existing Lease and Use Agreements. Mr. Franzella also states that all 24 gate hold-rooms in the new ITB will be designated as joint use spaces, whereas in the CTB United Airlines has exclusive use space rights over five of the CTB's ten gate hold-rooms.

7. As explained in Attachment V, provided by the Airport, scheduling of joint use space in the new ITB will be managed, under the Airport's oversight, by SFO

Terminal Equipment Company, LLC (SFOTEC), a company to be formed by the 26 airlines.

8. United Airlines' Lease and Use Agreement also provides for a modification in relation to United Airlines' leasing of exclusive use space in the North Terminal Building space. This is primarily the result of United Airlines' installation of a new automated baggage system under certain North Terminal Building gates, in spaces that had not been previously leased to any airline. The space is now primarily designated as Category IV baggage handling areas. As a result of this additional United Airlines rental space in the North Terminal Building, the Airport expects to realize from United Airlines an additional $3,994,608 in airline lease revenues in FY 1999-2000, and $2,365,967 in FY 2000-2001.

9. Execution copies of the proposed modifications to the Lease and Use Agreements were sent to the airlines on September 2, 1999. Final approval is contingent on the Human Rights Commission's determination of each airline's compliance with, or exemption from, the requirements of San Francisco's Equal Benefits Ordinance. Ms. Schimke advises that all eight airlines are currently in various stages of obtaining certification of their compliance with, or exemption from, that ordinance's requirements, and that the Airport anticipates that all eight will comply.

10. According to Mr. Franzella, a phased occupancy of the subject space is commencing on November 1, 1999 at which time United Airlines will be able to begin tenant improvements of its exclusive use spaces in the new ITB. All the other airlines which have exclusive use spaces will be able to commence their tenant improvements no later than January 1, 2000. As previously noted, the new ITB is scheduled to open in May of 2000. While the lessees are not required to make a minimum investment per square foot in the tenant improvement construction of their exclusive use spaces, they are required to meet the requirements of the relevant construction codes. Northwest Airlines and United Airlines will construct their own tenant improvements. China Airlines and Singapore Airlines will construct their VIP clubrooms. All

other tenant improvements for Lease and Use Agreement airlines will be performed under a consolidated contract awarded by the Airport's Airline Liaison Office in order to minimize potential coordination problems. Construction of all joint use space will be the responsibility of the Airport.

11. The airlines' payment of rents for the new ITB space will commence on the date the new ITB is open and operational, as determined by the Airport Director. On that date, the airlines' rental payments for the CTB cease. Under the proposed modifications to their Lease and Use Agreements, the eight airlines will have up to 90 days after they begin paying rent for their new ITB space to remove their equipment from their exclusive use space in the CTB.

12. All lessees will pay rent for their new ITB space in accordance with the Airport's rates and charges for airline rental space. These are determined annually by the Airport using the rates and charges methodology prescribed in the Lease and Use Agreements, as previously approved by the Board of Supervisors, and contained in Attachment VI, provided by the Airport. The division between the airlines of the rent payable for the new ITB's joint use space will be determined on the basis of a "Joint Use Formula" as explained in Attachment VII, provided by the Airport.

13. In summary, the Airport estimates that approval of both Files 99-1852 and 99-1853 will result in total estimated airline lease revenues for the Airport of $37,161,803 from the new ITB in FY 2000-2001, an increase of $19,082,405 over the estimated airline lease revenues for the Airport of $18,079,398 from the CTB in FY 1999-2000. Furthermore, approval of File 99-1852 will result in additional airline lease revenue for the Airport of an estimated $2,365,967 in FY 2000-2001 from United Airlines' increased exclusive use space in the North Terminal Building. The Airport therefore estimates that it will receive additional airline lease revenues in the amount of $21,448,372 in FY 2000-2001.

Recommendation: Approve the proposed resolution, contingent on the airlines' compliance with the City's Equal Benefits Ordinance.

Attachment I

Lease and Use Agreements: Comparison of Joint Use Space

	CTB @ FY 1999-2000		ITB *Estimated @ FY 2000/2001		FY 99/00 with FY 00-01	
Categories of Joint Use Space	Total Sq. Feet	Total Estimated Dollars	Total Estimated Sq. Feet	Total Estimated Dollars	Sq. Feet: % Difference	Total Estimated Dollars: % Difference
Category I - Gate holdroom and ticket counters	36,876	$4,492,234	152,892	$11,170,290	315%	149%
Category II - Baggage claim; Federal Inspection Service; other joint use areas, 3rd floor and above; 1st floor passenger access	54,682	$4,996,294	236,767	$12,974,832	333%	160%
Category III - Other enclosed joint use areas, 2nd floor and below	1,373	$83,629	11,687	$426,926	751%	410%
Category IV - Baggage handling areas	34,638	$1,055,073	273,026	$4,988,185	688%	373%
Category V - Other enclosed space	0	$0	1,888	$13,801	N/A	N/A
TOTAL	127,569	$10,627,232	676,260	$29,574,034	430%	178%

Please note: Joint use space is collectively leased by the 26 airlines with international flight operations at the Airport. Currently, it is not possible to break the above revenue information down into (a) the eight airlines with Lease and Use Agreements, and (b) the 18 airlines which will sign Lease and Operating Agreements because the Airport is not yet able to make the calculations laid out in the "Joint Use Formula" for FY 2000-2001.

* FY 2000/2001 rates were estimated based on best information available in June 1999. Actual rates will be calculated in June 2000 and may vary significantly due to changing conditions.

Lease and Use Agreements: Comparison of Exclusive Space

	CTB @FY 99/00 Rates		IBT *Estimated @ FY 00/01		Comparison: FY 99/00 with FY 00/01	
AIRLINE	Total sq.ft.	Total Dollars	Total sq.ft.	Total Dollars	Difference sq. ft.	Difference Revenue
Alaska Airlines	627	$70,413	0	$0	N/A	N/A
China Airlines	3,152	$290,430	5,023	$264,773	59.4%	-8.8%
Japan Airlines	13,477	$1,073,941	9,809	$521,291	-27.2%	-51.5%
Mexicana Airlines	4,019	$352,590	3,363	$163,136	-16.3%	-53.7%
Northwest Airlines	4,764	$421,787	8,789	$459,622	84.5%	9.0%
Philippine Airlines	4,462	$385,514	6,209	$329,401	39.2%	-14.6%
Singapore Airlines	5,523	$496,843	6,619	$351,978	19.8%	-29.2%
United Airlines	33,522	$2,509,338	53,782	$2,615,422	60.4%	4.2%
TOTAL	**69,546**	**$5,600,856**	**93,594**	**$4,705,623**	**34.6%**	**-16.0%**

* FY 2000/2001 rates were estimated based on best information available in June 1999. Actual rates will be calculated in June 2000 and may vary significantly due to changing conditions.

10/6/99

San Francisco International Airport
GATEWAY TO THE PACIFIC

REDUCTION, RELOCATON, AND/OR REALLOCATION OF EXCLUSIVE USE SPACE

A. When required by a significant shift in market share or to accommodate a new airline, the Airport can reduce, relocate, and/or reallocate exclusive use space in accordance with the procedures described below.

B. Airline Ticket Office (ATO) Procedures

- ATOs are the ticket counter support offices located on Floors 3 and 3M of the new ITB.
- ATO space may be reduced, relocated, and/or reallocated in conjunction with reallocation of ticket counter preferential use assignments, which are decided by SFOTEC, with Airport oversight, based on flight activity and new ITB Ticket Counter Management Protocols.
- A key objective of the new ITB Ticket Counter Management Protocols is to provide each airline with a regular check-in location, with the maximum number of positions desired (if available).
- Reduction, relocation, and/or reallocation of ATO space held by airlines under Lease and Use Agreements will occur only after the City has determined that (1) there is no unassigned ATO space on Floors 3 or 3M, (2) there is no ATO space that may be recovered for reassignment from airlines with space permits, (3) there is no ATO space that may be recovered for reassignment from airlines with Lease and Operating Agreements, and (4) the reduction, relocation, and/or reallocation of leased ATO space will not reduce any affected Lease and Use Agreement lessee's space below a minimum operating unit.

C. Airport's Right of Reaccess to Entitlement Space

- "Entitlement Space" refers to (a) that portion of new ITB exclusive use space which is approximately the size of an airline's existing exclusive use space in the CTB under a Lease and Use Agreement, except that VIP clubrooms are entirely entitlement space, whether they are larger than CTB VIP areas or not.
- The Airport may recover Entitlement Space through Right of Reaccess only when the relevant lessee's available international seats have decreased by more than 50 percent in a 12-month period versus the benchmark year of FY 1999-2000.
- The Airport may reaccess square footage in each exclusive use space category up to the percentage reduction, subject to minimum operating requirements.

- All VIP clubroom space held by the eight airlines is designated as Entitlement Space because of the cost of constructing VIP clubrooms. Such space requires 180 days notice to recover. All other Entitlement Space requires 90 days notice to recover.

D. Procedures for Non-Entitlement Space

- "Non-Entitlement Space" refers to all exclusive use space that is not "Entitlement Space".
- To reduce or relocate Non-Entitlement Space, the Airport shall develop and present a plan and accompanying rationale to SFOTEC and the impacted airline(s). Airlines have a 30 day period
- At the end of the 30 day comment period, the Airport shall deliver a notice to the airline(s) required to reduce or relocate space in accordance with the plan, noting that the plan may have been modified during the review process.
- Non-Entitlement Space requires 90 days notice to recover.

E. Buyout Provisions

- When pursuant to these provisions, reduction or relocation of both Entitlement and Non-Entitlement Space is subject to buyout by the Airport of the value of the improvements amortized on a straight-line basis over the remaining term of the Lease and Use Agreement. If, however, exclusive use space is voluntarily surrendered by an airline, then the Airport is not obligated to offer buyout compensation.

ITB MAINTENANCE AND OPERATIONS RESPONSIBILITIES

Key A Airline/ C City/ T Non-Airline Tenants

	TERMINAL BUILDINGS					LANDING AREAS			
	Leased Space - Full Public Exposure[1]	Leased Space - Unexposed[2]	Airline Leasable Vacant	FIS Space	Public Space	Runways	Taxiways	Parking Ramps	Cart Roads
HVAC -- Central Heating and Cooling to Premises	C	C	C	C	C	---	---	---	---
-- Heating of Premises	C	A	C	C	C	---	---	---	---
-- Cooling of Premises	C	A	C	C	C	---	---	---	---
Water and Sewerage	---	A[3]	C	C	C	---	---	---	---
Power Supply to Premises[4]	C	C	C	C	C	C	C	C	C
Lighting[5]	C	A	C	C	C	C	C	C	C
Cleaning[6]	C	A	C	C	C	C	C	A	C
Trash Removal	C	A	C	C	C	C	C	A	C
Window Washing - Interior	C	A	C	C	C	---	---	---	---
- Exterior	C	C	C	C	C	---	---	---	---
Decorative/Maintenance/ Replacement/Repair - Walls, Doors, Furniture, Fixture, Windows, Ceilings, Carpets, Floors	C	A	C	C	C	---	---	---	---
Plumbing and Fixtures	---	A	C	C	C	---	---	---	---
Building - Structural	C	C	C	C	C	---	---	---	---
- Interior	C	A	C	C	C	---	---	---	---
- Exterior	C	C	C	C	C	---	---	---	---
Paving -- Repair and Replacement	C	C	C	C	C	C	C	C	C
Baggage - Claim Devices	A	A	---	A	---	---	---	---	---
- Conveyors	A	A	---	A	---	---	---	A	---
Passenger Loading Bridges Maint	A	A	---	---	---	---	---	A	---
Keys and Locks	C	A	C	T	C	---	---	---	---
Security Doors	C	C	C	C	C	---	---	---	---
Fuel Lines	---	---	---	---	---	---	A[7]	A[7]	A[7]

Other

400HZ Power - Airlines

Preconditioned Air - City responsible through the building and loading bridges. Airlines responsible for all hoses from loading bridges to aircraft

[1]Includes Ticket Counters, Holdrooms, Baggage Claim Areas
[2]Includes Offices, VIP Clubs/Lounges, Baggage Operations, Storage/Equipment Rooms
[3]Airport will inspect and maintain potable water backflow devices
[4]Usage of all power shall be estimated, or measured by meter. Meters to be installed at Lessee's expense
[5]Lighting shall mean general illumination and shall include relamping and replacement of the Airport's standard starters, ballasts, switches and outlets but shall not include special airline installations or requirements
[6] Includes passenger loading bridge interiors
[7] May be performed through SFO Fuel LLC

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

INTEROFFICE MEMORANDUM

TO: Alan Gibson DATE: October 6, 1999

FROM: Dorothy Schimke, Senior Property Manager
Department of Aviation Management

SFO Terminal Equipment Company, LLC

The airlines that will operate at the new International Terminal Building (ITB) are forming a limited liability company, SFO Terminal Equipment Company, LLC (SFOTEC). The purpose of this company is to operate and maintain certain equipment and joint use space in the ITB and to schedule the usage of such joint use equipment and space among airline members and non-member users.

(1) Operation and Maintenance of Equipment

Maintenance of certain operating equipment and systems owned by the Airport will be the responsibility of SFOTEC. This equipment includes but is not limited to passenger loading bridges, the baggage system, the preconditioned air system, the 400 Hz ground power system, flight and baggage information display systems and common use telephones at gate podiums and ticket counters.

(2) Gate and Ticket Counter Scheduling

Gate scheduling: The scheduling of the new ITB's 24 joint use gates will be managed by SFOTEC, subject to Airport approval, to maximize the efficient use of those gates. Determination of gate usage policy and final resolution of conflicts will rest solely with the Airport Director.

Ticket counter assignment and management: The assignment of the new ITB's 168 joint use ticket counters will be managed by SFOTEC, subject to Airport approval, in accordance with Ticket Counter Management Protocols designed to maximize the efficient use of those ticket counters. Determination of ticket counter usage policy and final resolution of conflicts will rest solely with the Airport Director.

(3) Management Services

Tower operations: The ground movement of aircraft into and out of the new ITB, and within non-movement zones designated by the Airport, will be managed by SFOTEC.

Cleaning and Maintenance: SFOTEC will also manage janitorial services for non-public joint use areas, and ramp sweeping.

Accounting: SFOTEC will be responsible for allocating costs and distributing billings among the airline members and non-member users.

(4) Coordination and Oversight

An Oversight Committee, chaired by the Airport and including both airline and Airport representation, will be responsible for setting SFOTEC's missions, addressing issues of mutual concern to the Airport and the airlines, and reviewing SFOTEC's performance.

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

TO: Alan Gibson **DATE:** October 6, 1999

FROM: Dorothy Schimke

Airport Rates and Charges

Background

In 1979 a number of airlines filed suit to litigate certain complaints against the City, including an allegation that Airport revenues were being unlawfully diverted to the City's General Fund. (Federal law prohibits the expenditure of airport revenues for non-airport purposes.) In early 1980 the City and the airlines that were parties to the suit entered into settlement negotiations that resulted in a detailed Settlement Agreement and an Airline-Airport Lease and Use Agreement ("the LU"). Provisions for a substantial restructuring of the financial operation of the Airport, including the methodology for calculating Airport Rates and Charges, were incorporated into the LU as part of the Settlement Agreement.

Calculation of Rates and Charges

In general, the airlines are obligated to pay terminal building rental rates and landing fees in amounts that, when included with all other Airport revenues, will be sufficient to cover all annual Airport costs. Rates are adjusted annually. Terminal rate adjustments are based on the average cost per square foot of providing, maintaining and operating the terminal building areas.

A simplified outline of the methodology for calculating Airport terminal rents is as follows:

1. **Expense Forecasting.** Airport forecasts its expenses, including both operating and capital expenses, for the upcoming fiscal year.
2. **Revenue Forecasting.** Airport forecasts its non-airline terminal revenues for the upcoming fiscal year.
   - Concession revenues
   - Rents from non-airline tenants
   - Other revenues (e.g., interest on unexpended capital funds)

Alan Gibson
October 6, 1999
Page 2

3. **Annual Service Payment**. 15% of Concession revenues goes to City's general fund as compensation for indirect services to the Airport.
4. **Calculation.**
   - Non-airline revenues (net of Annual Service Payment) are set off against projected expenses.
   - Remainder (expenses that are not covered by non-airline revenues) is divided by the total square feet of terminal space rented by airlines to determine average rent per square foot, which is then apportioned into five rate categories.
   - The higher the number of square feet rented to airlines, the lower the effective rental rate required to recover the terminal costs.

Attachment VII

San Francisco International Airport

GATEWAY TO THE PACIFIC

JOINT USE FORMULA FOR THE NEW ITB

The total charges for each room comprising joint use space shall be divided among the airlines using the new ITB according to the following formula:

- Twenty percent of each joint space shall be divided equally among all airlines using that joint use space. Since Alaska Airlines will use only 53.4 percent of the joint use spaces, it will pay 1/26th of the 20 percent payment for those spaces. For all other joint use spaces, the remaining 25 airlines will pay 1/25th each. These proportions will change as individual airlines start or cease international flight operations at the new ITB.

- Eighty percent shall be divided as follows. Each airline using the joint use space pays that proportion which the number of its passengers enplaning and/or deplaning at the new ITB bears to the total number of passengers enplaning and/or deplaning at the new ITB. The proportions for each type of joint use space are calculated on the following bases:

Category	Type of Space	Type of Passenger
I	Ticket counter/gate holdroom	new ITB enplaned passengers
II	Baggage claim /Federal Inspection Service	new ITB deplaned passengers
II	Other 3rd floor and above, and 1st floor passenger access	new ITB total enplaned and deplaned passengers
III	Other enclosed, 2nd and below	new ITB total enplaned and deplaned passengers
IV	Inbound baggage handling	new ITB deplaned passengers
IV	Outbound baggage handling	new ITB enplaned passengers
V	Other unenclosed	new ITB total enplaned and deplaned passengers

- If for any reason the number of passengers enplaning and/or deplaning at the new ITB in the prior fiscal year for any of the airlines using the joint use space constitute an inappropriate basis for forecasting that airline's passenger volume for the year in which the charges are levied, the City can make appropriate adjustments in order to equitably apportion the total costs among all of the airlines using such joint use space.

SAN FRANCISCO INTERNATIONAL AIRPORT • PO BOX 8097 • SAN FRANCISCO CALIFORNIA 94128 • TELEPHONE (650) 794-5000 • FAX (650) 794-5005

Item 2 - File 99-1853

Note: This item was continued by the Finance and Labor Committee at its meeting of October 13, 1999.

Department: Airport Commission

Item: Resolution approving the terms of new Lease and Operating Agreements between the City and 18 airlines to allow these airlines to relocate their international flight operations to the new International Terminal Building at the San Francisco International Airport.

Location: New International Terminal Building (ITB) at the Airport

Purpose of Leases: The proposed new Lease and Operating Agreements with the 18 airlines listed below would permit the Airport to:

(a) relocate the 18 airlines' international flight operations to the new ITB from the current International Terminal, which will then be converted for domestic flights. The current International Terminal is referred to in this report as the Central Terminal Building (CTB);

(b) change certain types of airline rental space from exclusive use to joint use;

(c) employ procedures for reducing, relocating, and/or reallocating exclusive use space in certain circumstances; and

(d) terminate a lease if an airline voluntarily ceases its international flight operations at the Airport, contingent on Board of Supervisors approval of such lease terminations.

Lessor: City and County of San Francisco by and through the Airport Commission.

Lessees:

Aeroflot Russian International Airlines
Air China
Air France
Alitalia Airlines
Asiana Airlines
All Nippon Airways
British Airways, PLC
Cathay Pacific Airways, LTD.
China Eastern Airlines
EVA Airways

Finnair
Korean Air
KLM Royal Dutch Airlines
Lineas Areas Costarricenses (LACSA), S.A.
Lufthansa German Airlines
Ryan International Airlines
Swissair Transport Co. LTD
Virgin Atlantic Airways

Square Footage: There are two sets of space being leased in the new ITB: (1) 676,260 square feet of joint use space, and (2) 55,126 square feet of exclusive use space.

(1) Joint use space in the new ITB: According to Ms. Dorothy Schimke of the Airport, "joint use space" is airline rental space in a facility owned by the Airport which is leased to more than one airline for the shared use of all the airlines leasing that space. In the new ITB, 26 airlines will collectively lease 676,260 square feet of joint use space. These 26 airlines comprise (a) the 18 airlines listed above, and (b) eight other airlines which operate under Lease and Use Agreements effective July 1, 1981. The Airport's proposal to modify its existing Lease and Use Agreements with those eight other airlines is the subject of a separate resolution (see Item 8, File 99-1852, of this report to the Finance and Labor Committee).

The 26 airlines will pay rent for this 676,260 square feet of joint use space in accordance with Airport rates and charges, as set out in the Lease and Operating Agreements. This joint use space is divided into the rental categories shown in Attachment I, provided by the Airport.

Attachment I shows (a) an estimated 548,691 square foot, or approximately 430 percent, increase in the joint use space to be leased by the 26 airlines, from the current 127,569 square feet of joint use space in the CTB to the 676,260 square feet of joint use space in the new ITB, and (b) an estimated $18,946,802, or approximately 178 percent, increase in the rent to be paid by those 26 airlines, from an estimated $10,627,232 in FY 1999-2000 to an estimated $29,574,034 in FY 2000-2001.

(2) Exclusive use space in the new ITB: Exclusive use space in the new ITB can consist of (a) airline ticket, baggage service, ramp operations, and administrative offices, (b) VIP clubrooms, and/or (c) other support space. The 18 airlines will lease the amounts of exclusive use space in the new ITB as set forth in Attachment II, provided by the Airport. Attachment II shows (a) an estimated 33,842 square foot, or approximately 159 percent, increase in the exclusive use space to be rented by the 18 airlines, from the current 21,284 square feet of exclusive use space in the CTB to the 55,126 square feet of exclusive use space in the new ITB, and (b) an estimated $1,030,836, or approximately 56 percent, increase in the rent to be paid by those 18 airlines for their exclusive use space, from an estimated $1,851,310 in FY 1999-2000 to an estimated $2,882,146 in FY 2000-2001.

Annual Rental Revenue:

The Airport estimates that it will realize $37,161,803 in airline lease revenue in FY 2000-2001 from the new ITB's total airline rental space. Of this amount, the Airport will realize an estimated $29,574,034, or approximately 79.6 percent, from the 676,260 square feet of joint use space leased to all 26 airlines with international flight operations, as shown in Attachment I. Of the estimated balance of $7,587,769, or approximately 20.4 percent, which the Airport estimates that it will collect from rental of exclusive use space, an estimated $2,882,146 will be paid by the 18 airlines with Lease and Operating Agreements (as shown in Attachment II), and an estimated $4,705,623 will be paid by the eight airlines with Lease and Use Agreements (as shown in Attachment II of Item 8, File 99-1852, in this report to the Finance and Labor Committee).

The table below compares the estimated FY 2000-2001 airline lease revenues from the new ITB with the estimated airline lease revenues from the CTB in FY 1999-2000. Overall, the Airport anticipates a $19,082,405, or 106 percent, increase in airline lease revenues from the 26 airlines which have international flight operations at the Airport. (This table covers Items

8 and 9, Files 99-1852 and 99-1853, of this report to the Finance and Labor Committee.)

	CTB Square Feet	Estimated ITB Square Feet	Estimated % Difference in Square Feet	Estimated FY 1999-2000 Lease Revenue	Estimated FY 2000-2001 Lease Revenue	Estimated % Difference in Lease Revenue
Joint Use Space	127,569	676,260	430.0%	$10,627,232	$29,574,034	178%
Lease & Use Agreement Exclusive Use Space	69,546	93,594	35%	5,600,856	4,705,623	(16%)
Lease & Operating Agreement Exclusive Use Space	21,284	55,126	159%	1,851,310	2,882,146	56%
TOTAL	**218,399**	**824,980**	**278%**	**$18,079,398**	**$37,161,803**	**106%**

Approval of both Files 99-1852 and 99-1853 will result in total estimated airline lease revenues for the Airport of $37,161,803 from the new ITB in FY 2000-2001. This represents an estimated increase of $19,082,405 over the estimated airline lease revenues for the Airport of $18,079,398 from the CTB in FY 1999-2000. This increase comprises the estimated additional (a) $18,946,802 for joint use space in the new ITB, and (b) $1,030,836 for Lease and Operating Agreement airlines' exclusive use space in the new ITB, offset by (c) a decrease of $895,233 in the revenues from Lease and Use Agreement airlines' exclusive use space in the new ITB (as described in Item 8, File 99-1852, of this report to the Finance and Labor Committee).

Term of Lease and Operating Agreements:

Each of the proposed Lease and Operating Agreements will take effect upon full execution by the parties and final approval by the Board of Supervisors. All 18 Lease and Operating Agreements terminate on June 30, 2011, which is coterminous with the eight Lease and Use Agreements which are the subject of Item 8, File 99-1852, of this report to the Finance and Labor Committee.

BOARD OF SUPERVISORS
BUDGET ANALYST

Right of Renewal: None.

Maintenance and Operations: The respective responsibilities of the City and the 18 airlines for maintenance and operations are contained in Attachment IV, provided by the Airport. Ms. Schimke states that the Airport's airline rental space rates are designed to cover all of the Airport's maintenance and operations overhead costs which are not covered by revenue from the Airport's concessions or other non-airline revenues.

Comments: 1. As part of the Airport's Master Plan Expansion Program, the Airport is constructing a new ITB which is scheduled for completion in May of 2000. All international flight operations currently conducted by the 26 airlines in the CTB, including those of the 18 airlines under this subject resolution, will be relocated to the new ITB, allowing the CTB to be used as a third domestic terminal, according to Mr. Gary Franzella of the Airport. Mr. Franzella states that the reassignment of the CTB as a third terminal for domestic flight operations and the opening of the new ITB as a fourth terminal will enable the Airport to increase the total number of passengers the Airport can handle from an estimated 40 million in 1999, to an estimated 51 million in 2006, an increase of 27.5 percent.

2. Of the 26 airlines which will relocate their international flight operations to the new ITB, 18 airlines, which are the subject of this resolution, are expected to sign new Lease and Operating Agreements with the City. According to Ms. Schimke, none of the 18 subject airlines currently have leases equivalent to the Lease and Operating Agreements proposed by this resolution. Whereas most airlines that were tenants of the Airport in 1981 signed Lease and Use Agreements with the Airport, thereby controlling most of the available exclusive use airline rental space, airlines that became tenants subsequently were obliged to make other arrangements. As a result, the 18 subject airlines either (a) obtained month-to-month permits for the small amounts of space not originally leased under Lease and Use Agreement, or

for space which has subsequently been surrendered by airlines with Lease and Use Agreements, (b) subleased from Lease and Use Agreement airlines, or (c) entered into "handling agreements" pursuant to alliances, code-shares, or similar marketing or ground handling agreements, with airlines which have space under either Lease and Use Agreements or space permits. Ms. Schimke states that such subleases, handling agreements, or space permits were not subject to Board of Supervisors approval because only leases in excess of ten years and/or $1,000,000 in value are subject to Board of Supervisors approval.

According to Ms. Schimke, under the proposed resolution, the new Lease and Operating Agreements would benefit the Airport because: (a) they put the Airport into a direct relationship with the airlines, rather than an indirect relationship as is currently the case with airlines that have subleases or handling agreements; (b) they provide the Airport with direct control over space allocation, both in the initial assignment of space and through the reallocation procedures described in Attachment III; and (c) they assure the Airport of the airlines' longterm commitment to the Airport. Ms. Schimke also states that the proposed Lease and Operating Agreements would benefit the 18 airlines as follows: (a) they give the airlines a term of years, which ends June 30, 2011, over which to amortize their tenant improvements: and (b) they provide parity among airlines at the Airport by, for example, giving the airlines voting rights on airline organizations advisory to the Airport.

If any of the 18 airlines choose not to sign their proposed Lease and Operating Agreements, they will need to sign a month-to-month space permit instead. The same rates and charges will apply whether airlines choose to sign their Lease and Operating Agreements, or month-to-month space permits. Such monthly space permits would not be subject to Board of Supervisors approval unless they exceeded $1,000,000 in value.

3. Of the 26 airlines which will relocate their international flight operations to the new ITB, eight airlines are the subject of Item 8, File 99-1852, of this

report to the Finance and Labor Committee. According to Ms. Schimke, the 18 proposed Lease and Operating Agreements will be similar to the Lease and Use Agreements, as modified, for the eight airlines under File 99-1852, except they will not have the Entitlement Space provisions of Lease and Use Agreements.

4. Under the proposed resolution, the Airport would be authorized to modify the allocation of exclusive use space in the new ITB without further approval from the Board of Supervisors, as long as the modifications are consistent with the provisions contained in Attachment III. All other modifications to airlines' allocations of exclusive use space would require Board of Supervisors approval.

5. Under the proposed resolution, the Airport could terminate an airline's lease if that airline voluntarily ceased international flight operations at the Airport, subject to Board of Supervisors approval of that lease termination.

6. Under the existing CBT space allocations, joint use space includes only gate hold-rooms, baggage handling and baggage claim areas, and Federal Inspection Service areas. The joint use space approach is being expanded in the new ITB. According to Mr. Franzella, all of the new ITB's 168 ticket counters will be designated as joint use spaces, compared with only eight of the 111 ticket counters currently designated as joint use space in the CTB. The remaining 103 CTB ticket counters are exclusive use spaces under the existing Lease and Use Agreements. Mr. Franzella also states that all 24 gate hold-rooms in the new ITB will be designated as joint use spaces, whereas in the CTB United Airlines has exclusive use space rights over five of the CTB's ten gate hold-rooms.

7. As explained in Attachment V, provided by the Airport, scheduling of joint use space in the new ITB will be managed, under the Airport's oversight, by the airline consortium, SFO Terminal Equipment Company, LLC (SFOTEC), a company to be formed by the 26 airlines.

8. Execution copies of the proposed Lease and Operating Agreements were sent to the airlines on September 2, 1999. Final approval is contingent on the Human Rights Commission's determination of each airline's compliance with, or exemption from, the requirements of San Francisco's Equal Benefits Ordinance. Ms. Schimke advises that the 18 airlines are currently in various stages of obtaining certification of their compliance with, or exemption from, that ordinance's requirements, and that the Airport anticipates that all 18 will comply.

9. According to Mr. Franzella, a phased occupancy of the subject space will permit all airlines which have exclusive use spaces to commence tenant improvements of those spaces no later than January 1, 2000. As previously noted, the new ITB is scheduled to open in May of 2000. While the lessees are not required to make a minimum investment per square foot in the tenant improvement construction of their exclusive use spaces, they are required to meet the requirements of the relevant construction codes. Construction of all exclusive use spaces for Lease and Operating Agreement airlines will be performed under a consolidated contract awarded by the Airport's Airline Liaison Office in order to minimize potential coordination problems. The exception will be the VIP clubrooms being constructed by contractors individually hired by Air France, British Airways, EVA Airways, Korean Air, Lufthansa German Airlines, and Virgin Atlantic Airways. Construction of all joint use space will be the responsibility of the Airport.

9. The airlines' payment of rents for the new ITB space will commence on the date the new ITB is open and operational, as determined by the Airport Director. On that date, the airlines' rental payments for the CTB cease. The 18 airlines will be expected to surrender their space in the CTB immediately.

10. All lessees will pay rent for their new ITB space in accordance with the Airport's rates and charges for airline rental space. These are determined annually by the Airport using the rates and charges methodology prescribed in the Lease and Operating Agreements, and contained in Attachment VI, provided by the Airport. The

division between the airlines of the rent payable for the new ITB's joint use space will be determined on the basis of a "Joint Use Formula" as explained in Attachment VII, provided by the Airport.

11. In summary, the Airport estimates that approval of both Files 99-1852 and 99-1853 will result in total estimated airline lease revenues for the Airport of $37,161,803 from the new ITB in FY 2000-2001, an increase of $19,082,405 over the estimated airline lease revenues for the Airport of $18,079,398 from the CTB in FY 1999-2000.

Recommendation: Approve the proposed resolution, contingent on the 18 airlines' compliance with the City's Equal Benefits Ordinance.

Lease and Use Agreements: Comparison of Joint Use Space

	CTB @ FY 1999-2000		ITB *Estimated @ FY 2000/2001		FY 99/00 with FY 00-01	
Categories of Joint Use Space	Total Sq. Feet	Total Estimated Dollars	Total Estimated Sq. Feet	Total Estimated Dollars	Sq. Feet: % Difference	Total Estimated Dollars: % Difference
Category I - Gate holdroom and ticket counters	36,876	$4,492,234	152,892	$11,170,290	315%	149%
Category II - Baggage claim; Federal Inspection Service; other joint use areas, 3rd floor and above; 1st floor passenger access	54,682	$4,996,294	236,767	$12,974,832	333%	160%
Category III - Other enclosed joint use areas, 2nd floor and below	1,373	$83,629	11,687	$426,926	751%	410%
Category IV - Baggage handling areas	34,638	$1,055,073	273,026	$4,988,185	688%	373%
Category V - Other enclosed space	0	$0	1,888	$13,801	N/A	N/A
TOTAL	127,569	$10,627,232	676,260	$29,574,034	430%	178%

Please note: Joint use space is collectively leased by the 26 airlines with international flight operations at the Airport. Currently, it is not possible to break the above revenue information down into (a) the eight airlines with Lease and Use Agreements, and (b) the 18 airlines which will sign Lease and Operating Agreements because the Airport is not yet able to make the calculations laid out in the "Joint Use Formula" for FY 2000-2001.

* FY 2000/2001 rates were estimated based on best information available in June 1999. Actual rates will be calculated in June 2000 and may vary significantly due to changing conditions.

10/6/99

Lease and Operating Agreements: Comparison of Exclusive Use Space

	CTB @FY 99/00 Rates		IBT *Estimated @ FY 00/01		Comparison: FY 99/00 with FY 00/01	
AIRLINE	Total sq. ft.	Total Dollars	Total sq. ft.	Total Dollars	Difference sq. ft.	Difference Revenue
Aeroflot	0	$0	1,188	$58,361	N/A	N/A
Air China	0	$0	1,325	$55,875	N/A	N/A
Air France	1,507	$118,623	5,210	$275,697	245.7%	132%
Alitalia	0	$0	1,459	$71,476	N/A	N/A
All Nippon Airways	0	$0	1,777	$97,380	N/A	N/A
Asiana Airlines	1,780	$173,052	2,038	$111,682	14.5%	-35%
British Airways	9,212	$815,891	12,009	$635,511	30.4%	-22%
Cathay Pacific	0	$0	1,960	$91,769	N/A	N/A
China Eastern Air	251	$15,288	821	$41,063	N/A	N/A
EVA Air	375	$33,715	6,495	$334,313	1632.0%	892%
Finnair	0	$0	0	$0	N/A	N/A
KLM Royal Dutch Airlines	400	$36,548	0	$0	-100.0%	N/A
Korean Air	568	$51,350	3,212	$168,326	N/A	228%
Lacsa	0	$0	1,317	$72,172	N/A	N/A
Lufthansa	5,490	$467,810	5,807	$306,604	5.8%	-34.5%
Ryan International Airlines	608	$37,033	2,407	$125,747	N/A	239.6%
Swissair	0	$0	1,248	$68,390	N/A	N/A
Virgin Atlantic Airways	1,093	$101,999	6,853	$367,780	527.0%	260.6%
TOTAL	**21,284**	**$1,851,310**	**55,126**	**$2,882,146**	**159.0%**	**55.7%**

* FY 2000/2001 rates were estimated based on best information available in June 1999. Actual rates will be calculated in June 2000 and may vary significantly due to changing conditions.

10/6/99

San Francisco International Airport

GATEWAY TO THE PACIFIC

REDUCTION, RELOCATON, AND/OR REALLOCATION OF EXCLUSIVE USE SPACE

A. When required by a significant shift in market share or to accommodate a new airline, the Airport can reduce, relocate, and/or reallocate exclusive use space in accordance with the procedures described below.

B. Airline Ticket Office (ATO) Procedures

- ATOs are the ticket counter support offices located on Floors 3 and 3M of the new ITB.
- ATO space may be reduced, relocated, and/or reallocated in conjunction with reallocation of ticket counter preferential use assignments, which are decided by SFOTEC, with Airport oversight, based on flight activity and new ITB Ticket Counter Management Protocols.
- A key objective of the new ITB Ticket Counter Management Protocols is to provide each airline with a regular check-in location, with the maximum number of positions desired (if available).
- Reduction, relocation, and/or reallocation of ATO space held by airlines under Lease and Use Agreements will occur only after the City has determined that (1) there is no unassigned ATO space on Floors 3 or 3M, (2) there is no ATO space that may be recovered for reassignment from airlines with space permits, and (3) the reduction, relocation, and/or reallocation of leased ATO space will not reduce any affected Lease and Use Agreement lessee's space below a minimum operating unit.

C. Procedures for Non-Entitlement Space

- "Non-Entitlement Space" refers to all Exclusive use space with a Lease & Operation Agreement that is not "ATO Space".
- To reduce or relocate Non-Entitlement Space, the Airport shall develop and present a plan and accompanying rationale to SFOTEC and the impacted airline(s). Airlines have a 30 day period
- At the end of the 30 day comment period, the Airport shall deliver a notice to the airline(s) required to reduce or relocate space in accordance with the plan, noting that the plan may have been modified during the review process.
- Non-Entitlement Space requires 90 days notice to recover.

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D. Buyout Provisions

- When pursuant to these provisions, reduction or relocation of both Entitlement and Non-Entitlement Space is subject to buyout by the Airport of the value of the improvements amortized on a straight-line basis over the remaining term of the Lease and Use Agreement. If, however, exclusive use space is voluntarily surrendered by an airline, then the Airport is not obligated to offer buyout compensation.

ITB MAINTENANCE AND OPERATIONS RESPONSIBILITIES

Key: A – Airline/ C – City/ T – Non-Airline Tenants

	TERMINAL BUILDINGS					LANDING AREAS			
	Leased Space - Full Public Exposure[1]	Leased Space - Unexposed[2]	Airline Leasable Vacant	FIS Space	Public Space	Runways	Taxiways	Parking Ramps	Cart Roads
HVAC -- Central Heating and Cooling to Premises	C	C	C	C	C	---	---	---	---
-- Heating of Premises	C	A	C	C	C	---	---	---	---
-- Cooling of Premises	C	A	C	C	C	---	---	---	---
Water and Sewerage	---	A[3]	C	C	C	---	---	---	---
Power Supply to Premises[4]	C	C	C	C	C	C	C	C	C
Lighting[5]	C	A	C	C	C	C	C	C	C
Cleaning[6]	C	A	C	C	C	C	C	A	C
Trash Removal	C	A	C	C	C	C	C	A	C
Window Washing - Interior	C	A	C	C	C	---	---	---	---
- Exterior	C	C	C	C	C	---	---	---	---
Decorative/Maintenance/ Replacement/Repair - Walls, Doors, Furniture, Fixture, Windows, Ceilings, Carpets, Floors	C	A	C	C	C	---	---	---	---
Plumbing and Fixtures	---	A	C	C	C	---	---	---	---
Building - Structural	C	C	C	C	C	---	---	---	---
- Interior	C	A	C	C	C	---	---	---	---
- Exterior	C	C	C	C	C	---	---	---	---
Paving – Repair and Replacement	C	C	C	C	C	C	C	C	C
Baggage - Claim Devices	A	A	---	A	---	---	---	---	---
- Conveyors	A	A	---	A	---	---	---	A	---
Passenger Loading Bridges Maint.	A	A	---	---	---	---	---	A	---
Keys and Locks	C	A	C	T	C	---	---	---	---
Security Doors	C	C	C	C	C	---	---	---	---
Fuel Lines	---	---	---	---	---	---	A[7]	A[7]	A[7]

Other

400HZ Power	-	Airlines
Preconditioned Air	-	City responsible through the building and loading bridges Airlines responsible for all hoses from loading bridges to aircraft.

[1]Includes Ticket Counters, Holdrooms, Baggage Claim Areas
[2]Includes Offices, VIP Clubs/Lounges, Baggage Operations, Storage/Equipment Rooms
[3]Airport will inspect and maintain potable water backflow devices.
[4]Usage of all power shall be estimated, or measured by meter. Meters to be installed at Lessee's expense
[5]Lighting shall mean general illumination and shall include relamping and replacement of the Airport's standard starters, ballasts, switches and outlets but shall not include special airline installations or requirements
[6] Includes passenger loading bridge interiors.
[7] May be performed through SFO Fuel LLC

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

INTEROFFICE MEMORANDUM

TO: Alan Gibson **DATE:** October 6, 1999

FROM: Dorothy Schimke, Senior Property Manager
Department of Aviation Management

SFO Terminal Equipment Company, LLC

The airlines that will operate at the new International Terminal Building (ITB) are forming a limited liability company, SFO Terminal Equipment Company, LLC (SFOTEC). The purpose of this company is to operate and maintain certain equipment and joint use space in the ITB and to schedule the usage of such joint use equipment and space among airline members and non-member users.

(1) Operation and Maintenance of Equipment

Maintenance of certain operating equipment and systems owned by the Airport will be the responsibility of SFOTEC. This equipment includes but is not limited to passenger loading bridges, the baggage system, the preconditioned air system, the 400 Hz ground power system, flight and baggage information display systems and common use telephones at gate podiums and ticket counters.

(2) Gate and Ticket Counter Scheduling

Gate scheduling: The scheduling of the new ITB's 24 joint use gates will be managed by SFOTEC, subject to Airport approval, to maximize the efficient use of those gates. Determination of gate usage policy and final resolution of conflicts will rest solely with the Airport Director.

Ticket counter assignment and management: The assignment of the new ITB's 168 joint use ticket counters will be managed by SFOTEC, subject to Airport approval, in accordance with Ticket Counter Management Protocols designed to maximize the efficient use of those ticket counters. Determination of ticket counter usage policy and final resolution of conflicts will rest solely with the Airport Director.

(3) Management Services

Tower operations: The ground movement of aircraft into and out of the new ITB, and within non-movement zones designated by the Airport, will be managed by SFOTEC.

Cleaning and Maintenance: SFOTEC will also manage janitorial services for non-public joint use areas, and ramp sweeping.

Accounting: SFOTEC will be responsible for allocating costs and distributing billings among the airline members and non-member users.

(4) Coordination and Oversight

An Oversight Committee, chaired by the Airport and including both airline and Airport representation, will be responsible for setting SFOTEC's missions, addressing issues of mutual concern to the Airport and the airlines, and reviewing SFOTEC's performance.

AIRPORT COMMISSION
SAN FRANCISCO INTERNATIONAL AIRPORT
CITY AND COUNTY OF SAN FRANCISCO

MEMORANDUM

TO: Alan Gibson **DATE:** October 6, 1999

FROM: Dorothy Schimke

Airport Rates and Charges

Background

In 1979 a number of airlines filed suit to litigate certain complaints against the City, including an allegation that Airport revenues were being unlawfully diverted to the City's General Fund. (Federal law prohibits the expenditure of airport revenues for non-airport purposes.) In early 1980 the City and the airlines that were parties to the suit entered into settlement negotiations that resulted in a detailed Settlement Agreement and an Airline-Airport Lease and Use Agreement ("the LU"). Provisions for a substantial restructuring of the financial operation of the Airport, including the methodology for calculating Airport Rates and Charges, were incorporated into the LU as part of the Settlement Agreement.

Calculation of Rates and Charges

In general, the airlines are obligated to pay terminal building rental rates and landing fees in amounts that, when included with all other Airport revenues, will be sufficient to cover all annual Airport costs. Rates are adjusted annually. Terminal rate adjustments are based on the average cost per square foot of providing, maintaining and operating the terminal building areas.

A simplified outline of the methodology for calculating Airport terminal rents is as follows:

1. **Expense Forecasting**. Airport forecasts its expenses, including both operating and capital expenses, for the upcoming fiscal year.
2. **Revenue Forecasting**. Airport forecasts its non-airline terminal revenues for the upcoming fiscal year.
   - Concession revenues
   - Rents from non-airline tenants
   - Other revenues (e.g., interest on unexpended capital funds)

Alan Gibson
October 6, 1999
Page 2

3. **Annual Service Payment**. 15% of Concession revenues goes to City's general fund as compensation for indirect services to the Airport.
4. **Calculation.**
   - Non-airline revenues (net of Annual Service Payment) are set off against projected expenses.
   - Remainder (expenses that are not covered by non-airline revenues) is divided by the total square feet of terminal space rented by airlines to determine average rent per square foot, which is then apportioned into five rate categories.
   - The higher the number of square feet rented to airlines, the lower the effective rental rate required to recover the terminal costs.

Attachment VII

San Francisco International Airport

GATEWAY TO THE PACIFIC

JOINT USE FORMULA FOR THE NEW ITB

The total charges for each room comprising joint use space shall be divided among the airlines using the new ITB according to the following formula:

- Twenty percent of each joint space shall be divided equally among all airlines using that joint use space. Since Alaska Airlines will use only 53.4 percent of the joint use spaces, it will pay 1/26th of the 20 percent payment for those spaces. For all other joint use spaces, the remaining 25 airlines will pay 1/25th each. These proportions will change as individual airlines start or cease international flight operations at the new ITB.

- Eighty percent shall be divided as follows. Each airline using the joint use space pays that proportion which the number of its passengers enplaning and/or deplaning at the new ITB bears to the total number of passengers enplaning and/or deplaning at the new ITB. The proportions for each type of joint use space are calculated on the following bases:

Category	Type of Space	Type of Passenger
I	Ticket counter/gate holdroom	new ITB enplaned passengers
II	Baggage claim /Federal Inspection Service	new ITB deplaned passengers
II	Other 3rd floor and above, and 1st floor passenger access	new ITB total enplaned and deplaned passengers
III	Other enclosed, 2nd and below	new ITB total enplaned and deplaned passengers
IV	Inbound baggage handling	new ITB deplaned passengers
IV	Outbound baggage handling	new ITB enplaned passengers
V	Other unenclosed	new ITB total enplaned and deplaned passengers

- If for any reason the number of passengers enplaning and/or deplaning at the new ITB in the prior fiscal year for any of the airlines using the joint use space constitute an inappropriate basis for forecasting that airline's passenger volume for the year in which the charges are levied, the City can make appropriate adjustments in order to equitably apportion the total costs among all of the airlines using such joint use space.

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Items 3 and 4 – Files 99-1861 and 99-1862

Department: Department of Human Services (DHS)

Items: **Item 3, File 99-1861:** Supplemental appropriation in the amount of $12,690,062 of State and Federal revenues to: (1) fund aid payments for the Cash Assistance Program for Immigrants (CAPI); (2) augment Child Welfare Services; (3) expand outreach and eligibility determination services in the Food Stamp Program; (4) create 19.5 new limited tenure FTEs at the Department of Human Services; and (5) adjust revenue appropriations.

Item 4, File 99-1862: Ordinance amending the FY 1999-2000 Annual Salary Ordinance to reflect the creation of 19.5 FTE new limited tenure positions in DHS.

Amount: $12,690,062

Source of Funds:

New State and Federal revenues	$12,893,426
Adjustments to previously appropriated State and Federal Revenues	(203,364)
Total	$12,690,062

Attachment I, provided by DHS, details the new revenue sources and each revenue adjustment.

Description: The Department of Human Services (DHS) is requesting the subject supplemental appropriation (File 99-1861), funded by new State and Federal revenues in the amount of $12,690,062 for the following three program areas:

Cash Assistance Program for Immigrants (CAPI)	$11,799,180
Child Welfare Services	181,461
Food Stamp Program	709,421
	$12,690,062

Under the proposed supplemental appropriation, $11,799,180 would fund aid payments through the Cash Assistance Program for Immigrants (CAPI). CAPI is a State program that provides cash benefits to immigrants. San Mateo County had performed the administration and benefit issuance functions for San Francisco (in addition to other counties) until October 1, 1999, when San Mateo County

determined that it was no longer able to support San Francisco's caseload. The requested funds are the same level of cash assistance funds which were previously earmarked for San Francisco CAPI recipients but had been allocated to San Mateo County on the City's behalf to provide for immigrants residing in San Francisco. Mr. Dan Kim of DHS advises that the $11,799,180 would be for cash assistance payments only since new positions and State funding for administering the CAPI program was included and previously approved by the Board of Supervisors in the Department's FY 1999-2000 budget.

The Child Welfare Services program would be allocated $181,462 to fund: (1) expanded adoption outreach and recruitment; (2) extended services to former Foster Care youth up to age 21, and (3) a Foster Care demonstration project with 1.5 new FTEs to provide more preventative and supportive services to families and children at risk of entry into the Foster Care system.

Finally, the Food Stamp Program would receive $709,420 to fund 18.0 new FTEs in order to add one new Food Stamp intake unit to accommodate workload increases and a new outreach unit in response to expanded State eligibility for food stamps, particularly among immigrants. A portion of the $709,420 would be used to purchase supplies and equipment for the new staff.

Attachment II is a memo from Mr. Kim which provides additional descriptions of the proposed expenditures in each program area.

The proposed ordinance (File 99-1862) would amend the Annual Salary Ordinance to reflect the creation of 19.5 new FTEs (9.56 FTEs in FY 1999-00) which are coded in the ordinance as "L", or limited tenure, as follows:

	No. of Positions	FY 99-00 FTE	Class	Title	Biweekly Salary	Total Annual Salary Costs for All Positions
Child Welfare Services						
	1.0	0.67	2905	Sr. Eligibility Worker	$1,638-$1,990	$42,752-$51,939
	0.5	0.34	1632	Sr. Account Clerk	$1,433-$1,736	$18,700-$22,655
	1.5	1.01				
Food Stamp Program						
	14.0	6.67	2905	Sr. Eligibility Worker	$1,638-$1,990	$598,525-$727,146
	2.0	1.00	2907	Elig. Worker Supervisor	$1,814-$2,204	$94,691-$115,049
	2.0	0.88	1426	Sr. Clerk Typist	$1,316-$1,596	$68,695-$83,311
	18.0	8.55				$823,363-$1,000,100
Total	**19.5**	**9.56**				

The estimated annual cost of the 19.5 new FTEs would range from $1,029,203 at Step 1, including salaries of $823,363 and fringe benefits of $205,840, to $1,250,125 at Step 5, including salaries of $1,000,100 and fringe benefits of $250,025.

Budget: The proposed budget of $12,690,062 for the nine-month period retroactive from October 1, 1999 through June 30, 2000 is as follows:

Cash Assistance Program for Immigrants (CAPI)		
CAPI Aid Payments (See Comment #1)		$11,799,180
Child Welfare Services		
Permanent Salaries	$42,245	
Fringe Benefits	10,603	
Social Services Contracts (See Comment #1)	36,080	
Independent Living Skills Program (See Comment #2)	92,533	
Subtotal Child Welfare Services		181,461
Food Stamp Program		
Permanent Salaries	$362,384	
Fringe Benefits	90,958	
Equipment & Computers (See Attachment III)	256,079	
Subtotal Food Stamp Program		709,421
Total		**$12,690,062**

Comments:

1. According to Mr. Griffith, DHS estimates that between October 1, 1999 and October 31, 1999, approximately $557,183 of the $11,799,180 of CAPI cash assistance payments will have been expended. Therefore the subject ordinance (File 99-1861) should be amended to provide for

retroactivity. Mr. Griffith states that such cash assistance payments were made in order to not interrupt payments to recipients since San Mateo ceased to issue aid payments for San Francisco residents as of October 1, 1999.

2. The proposed budget allocates $11,799,180 for CAPI cash assistance payments for the period October 1, 1999 to June 30, 2000. Mr. Christian Griffith of DHS advises that DHS has revised its estimate and the required amount is now estimated at $7,669,467, or $4,129,713 less than the original estimate of $11,799,180. Therefore the proposed ordinance (File 99-1861) should be reduced by $4,129,713.

According to Mr. Griffith, average monthly CAPI cash assistance payments are approximately $655 per case and DHS estimates that such payments will be made to between 850 to 1,750 cases per month. Attachment IV, provided by DHS, shows the number of cases and amount of CAPI cash assistance payments to be paid out per month for the subject nine-month period.

3. The proposed budget contains $36,080 to fund a professional services contract for adoption recruitment and outreach activities under Child Welfare Services. DHS advises that it has not yet been decided whether a new contract will be issued or if the funds will be used to augment existing contracts.

4. The proposed budget allocates $92,533 for the Independent Living Skills program, under Child Welfare Services, which prepares youth for life on their own after they exit the Foster Care system. DHS advises that the subject funds will be used to pay for aftercare services which include classes on budgeting, legal and health issues, assistance with moving to a new apartment and achievement awards for youth that enroll in college or a vocational program.

5. The 19.5 new FTEs are designated "L" or Limited Tenure positions in both of the subject ordinances. According Mr. Griffith, if the Federal/State funds used to

pay for these positions are discontinued in the future, the subject positions will be eliminated.

6. The 1.5 new FTEs for Child Welfare Services are currently budgeted for the period October 26, 1999 through June 30, 2000 (18 pay periods). According to Mr. Griffith, the positions will not actually be filled until November 15, 1999 (16.5 pay periods). Therefore, the proposed supplemental appropriation (File 99-1861) should be reduced by $3,396 in Permanent Salaries and $849 in Fringe Benefits, for a total reduction of $4,245.

Recommendations:

1. Amend the proposed ordinance (File 99-1861) to provide for retroactivity in accordance with Comment #1.

2. In accordance with Comment #2, reduce Medi-Cal/CAPI Aid by $4,129,713, from $11,799,180 to $7,669,467 to reflect actual projected CAPI cash assistance payments. (File 99-1861)

3. In accordance with Comment #6, reduce Permanent Salaries, by $3,396, from $404,629 to $401,233 and Fringe Benefits by $849 from $101,561 to $100,712. (File 99-1861)

4. Reduce the total request of $12,690,062 by $4,133,958 to $8,556,104. (File 99-1861)

5. Approve the proposed ordinances as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

ADDITIONAL REVENUE FOR SUPPLEMENTAL APPROPRIATION

DSS 01 1G S&A WAF 455003 SSO291 Federal Subventions

Subobj	Title	Additional Revenue
40101	CHILDRENS SVCS	(11,366)
40102	FFH LICENSING	(428)
40103	ADOPTIONS SVCS	9,904
40105	ADULT SVCS	(7,861)
40106	ILP	92,356
40124	FOOD STAMPS E&T	(11,367)
40131	CalWORKS FG/U (old AFDC)	27,080
40133	AAP ELIG ADMIN	(418)
40134	FOOD STAMPS	544,213
45136	CAPI ADMIN	(6,892)
40199	OTHER GENERAL REVENUE	$ (6,090)

DSS 01 1G S&A WAF 455003 SSO292 State Subventions

Subobj	Title	Additional Revenue
45103	ADOPTIONS SVCS	23,831
45107	CalWIN	(56)
45130	Non Custodial Parent	(279)
45131	CalWORKS FG/U (old AFDC)	15,914
45134	FOOD STAMPS	380,948
45199	SSI-P Unit	(311)
45205	CAPI AID	11,799,180
45301	MEDI CAL	(158,296)
		$ 12,690,062

THE TOTAL REQUESTED ADDITIONAL APPROPRIATION
REFLECTS CHANGES IN THE FOLLOWING PROGRAMS:

Index Code Subobject	Program/Item	Amount
455020 03791	Medi-Cal/CAPI Aid	$ 11,799,180
455008 03611	FCS/ILS Ancillary	$ 92,533
455008 02711	FCS/Adoption Contract	$ 36,080
455008 001	FCS/.67 2905 Sr. EW	$ 29,392
455008 013	FCS/Fringe on 2905	$ 7,377
455016 001	Admin/.34 1632 Sr. Acct Clk	$ 12,853
455016 013	Admin/Fringe on 1632	$ 3,226
455016 060	Admin/Equip for 20 new staff + automation	$ 256,079
455019 001	Food Stamp/12.41 Staff	$ 362,384
455019 013	Food Stamp/Fringe Staff	$ 90,958
		$ 12,690,062

City and County of San Francisco Department of Human Services

Will Lightbourne
Executive Director

Deputy Directors
Bill Bettencourt
Jim Buick
Sally Kipper

MEMORANDUM

August 20, 1999

TO: Jane Morrison, President
And Members, Human Services Commission

FROM: Dan Kim
Budget & Fiscal Operations Manager

RE: Supplemental Appropriation Request for:
- aid payments for the Cash Assistance Program for Immigrants
- child welfare services
- food stamp outreach and eligibility services

This is to submit a supplemental appropriation request in the amount of $12,690,062. These monies will be used to: (1) fund aid payments for the Cash Assistance Program for Immigrants (CAPI); (2) augment our child welfare services; and (3) food stamp outreach and eligibility determination. This request includes a request for 19.5 new employees. Because we have received additional State and Federal revenue, we are requesting no additional County general fund money in this fiscal year or annualized. Below, we summarize the major components of the request and their impact on the budget.

Revenues

New State/Federal Revenues: $12,690,062

This supplemental appropriation request is funded through a variety of revenue sources targeted to specific program areas and does not require any increase in local general fund spending this fiscal year or annualized.

We have received increased State and Federal funds in the following areas:
- State funding for Cash Assistance Program for Immigrants aid payments;
- Increased state and federal revenues for adoptions programs;
- Increased state funds for the Independent Living Skills program, which helps youth prepare to become independent after they exit foster care at age 18;
- Increased state and federal funding for foster care financial eligibility;
- Increased state and federal funding for food stamp eligibility determination; and
- Other minor, miscellaneous revenue adjustments that result from the proposed additions to the expenditure budget.

Cash Assistance Program for Immigrants

Supplemental Cost: $11,799,180
Annualized Cost: $15,732,240

CAPI Aid Payments
Last year the State created the Cash Assistance Program for Immigrants (CAPI) to provide cash benefits for immigrants that are ineligible for the federal Supplemental Security Income (SSI) program. The benefits are set at a level comparable to SSI payments. Initially, San Mateo County performed the program administration and benefit issuance functions for most Bay Area counties. Because the number of eligible persons has been much higher than the state originally projected, San Mateo has indicated that they can no longer support San Francisco's caseload. Effective September 1, 1999, San Francisco DHS will assume responsibility for its own CAPI caseload. In the previously approved FY 1999-2000 budget, we included adequate staffing for the program. However, we did not included funds for the aid payments to the CAPI clients. We are requesting aid payments for nine months (beginning with the October 1, 1999 check), which are fully funded with state dollars.

Child Welfare Services

Supplemental Cost: $181,461
Annualized Cost: $229,650

The State has provided increased funding targeted to specific Family and Children's programs, including Adoptions, Independent Living Skills, and Foster Care financial eligibility.

Adoptions
Last year we changed the staffing of our adoptions program in response to new State and Federal legislation that requires us to place Foster Care children into permanent placement sooner. This year, we have received a small augmentation to our adoptions funding that will help us find more adoptive homes for foster children. We intend to use the funds to perform outreach and recruitment activities, particularly targeting communities of color.

Independent Living Skills Program
The Independent Living Skills Program prepares children for life on their own after they exit the foster care system. Last year, the State authorized counties to extend services to former foster youth up to age 21. With the new state augmentation, we plan to increase these aftercare services available to ILS graduates as the demand is increasing. Aftercare services include classes on budgeting, legal and health issues, assistance with moving to a new apartment and achievement awards for youth that enroll in college or a vocational program. We are requesting a part time senior account clerk to manage all of the ILS ancillary funds and will also be requesting the Board of Supervisors to create a new Revolving Fund for this purpose.

Foster Care Eligibility

San Francisco is participating in a "Title IV-E waiver demonstration project" that allows us to provide more preventive and supportive services to families and children at risk of entry into the Foster Care system. As the project will evaluate the cost-effectiveness of targeted services, it will have a rigorous research design, with both control and experimental groups. These cases require separate coding and tracking over a five year period. With additional state and federal funding, we plan to add one eligibility worker who will serve this caseload. This position will be dedicated to this project and will carry up to 200 cases.

Food Stamps

Supplemental Cost: $709,421
Annualized Cost: $953,151

Food Stamps Service Increase

The FY99-00 State allocation for the Food Stamp program has increased to reflect the greater complexity and increased workload associated with issuing Food Stamps. We plan to use the additional state and federal funds to add one intake unit of Food Stamp staff to accommodate the workload increase. In addition, the state, through the California Food Assistance Program, has expanded eligibility for food stamps, particularly among immigrants. We will add an outreach unit that will encourage eligible persons to enroll in the food stamp program. These positions will result in no increase in General Fund costs. With the additional allocation, we will also purchase supplies and equipment for the new staff as well as increase automation for the existing staff.

If you have any questions about this request, please call Dan Kim at 557-5661.

Attachment: Request for Supplemental Appropriation

Item	Unit	Cost	Total	Justification
PC Systems	48	$4,245	$ 203,760	PCs, software, and WAN infrastructure for 20 new positions, 28 new PCs to ensure program automation consistency in existing units.
1440 Harrison Wiring			$ 52,319	The current wiring in 1440 Harrison is inadequate to support the additional voice and data needs we added when we opened to CAPI unit at that site In order to insure the stability of the WAN in that building we must upgrade some of the wiring to Category 5
Total cost			$ 256,079	

Month	CAPI Caseload	Average cost per Case	Total
Oct-99	850	$ 655.51	$ 557,183.50
Nov-99	963	$ 655.51	$ 630,928.38
Dec-99	1075	$ 655.51	$ 704,673.25
Jan-00	1188	$ 655.51	$ 778,418.13
Feb-00	1300	$ 655.51	$ 852,163.00
Mar-00	1413	$ 655.51	$ 925,907.88
Apr-00	1525	$ 655.51	$ 999,652.75
May-00	1638	$ 655.51	$ 1,073,397.63
Jun-00	1750	$ 655.51	$ 1,147,142.50
Total FY 99-00 Cost			$ 7,669,467.00

Item 5 – File 99-1880

Department: Department of Public Health (DPH)

Items: Supplemental appropriation in the amount of $3,101,242 in AB 1661 State Relief Funds payable by the State to San Francisco to offset a shortfall in the FY 1999-2000 DPH budget as a result of the State's reduced allocation of Tobacco Tax Fund revenues to San Francisco under the California Healthcare for Indigents Program (CHIP).

Amount: $3,101,242

Source of Funds: AB 1661 State Relief Funds

Description: In October of 1989, the DPH began its implementation of State Assembly Bill (AB) 75, the Proposition 99/Tobacco Tax Bill. State AB 75 created the California Healthcare for Indigents Program (CHIP) to provide counties with Tobacco Tax Revenue funds for the provision and expansion of health care services to medically indigent adults.

The CHIP reimburses participating County hospitals, as well as private or non-County hospitals, for inpatient, outpatient and emergency services and participating private physicians for emergency, obstetric and pediatric services provided to indigent persons.

The DPH's FY 1999-2000 budget previously approved by the Board of Supervisors includes $7,961,916 in Tobacco Tax Fund revenues for the CHIP. According to Ms. Ann Carey of the Controller's Office, San Francisco's allocation of Tobacco Tax Fund revenues for FY 1999-2000 will be $4,860,674 which is $3,101,242 less than the $7,961,916 originally anticipated. Ms. Carey reports that the decrease is due to a reduction in the State's allocation of Tobacco Tax Fund revenues to the CHIP and a decrease in tobacco sales.

According to Ms. Carey, under State Assembly Bill (AB) 1661, the State intends to allocate $150 million in AB 1661 State Relief Funds. The AB 1661 allocation will be based on population and on the amount of local Property Taxes to be transferred by the counties to school districts in 1999 under the State-mandated Educational Revenue Augmentation

Fund (ERAF). Ms. Carey reports that San Francisco will receive $1,755,382 based on its population and at least that amount from the ERAF allocations, for a total of at least $3,510,764. The ERAF allocations will be determined once the State has compiled the results of a survey submitted to the State by counties on October 1, 1999, according to Ms. Carey.

The Controller recommends that the City's AB 1661 allocation be used to backfill the $3,101,242 shortfall in the FY 1999-2000 DPH budget as a result of the State's reduced allocation of Tobacco Tax Fund revenues to San Francisco under the CHIP. The proposed supplemental appropriation would allocate a total of $3,101,242 in AB 1661 funds ($1,755,382 from the allocation based on population and $1,345,860 from the as-yet to be determined allocation based on ERAF) for the CHIP. Ms. Carey states that any remaining funds received under AB 1661 would accrue to the City's General Fund.

Comments:

1. The Attachment to this report is a memo from Ms. Monique Zmuda of the DPH explaining why the DPH's FY 1999-2000 budgeted revenues for the CHIP were projected to be $7,961,916, or $3,101,242 more, than the actual CHIP allocation of $4,860,674. Ms Zmuda states that the final State budget was approved in July of 1999, after the DPH's FY 1999-2000 budget was complete. According to Ms. Zmuda, on August 12, 1999 the Board of Supervisors' Public Health and Environment Committee approved a resolution authorizing the DPH to accept and expend the FY 1999-2000 CHIP allocation in the amount of $7,961,916. Ms. Zmuda reports that she reported at that time to the Public Health and Environment Committee that the Controller's Office expected that the City would receive additional funds from the State which could be used to offset the shortfall in Tobacco Tax Revenue funding.

2. The subject supplemental appropriation of $3,101,242 in AB 1661 State Relief Funds would offset the reduction in Tobacco Tax Fund revenues of $3,101,242, resulting in no net reduction or increase in the DPH's FY 1999-2000 budget.

Recommendation: Approve the proposed ordinance.

<u>BOARD OF SUPERVISORS</u>
BUDGET ANALYST

Attachment

MEMORANDUM

October 13, 1999

TO: Harvey Rose
Budget Analyst

FROM: Monique Zmuda
Chief Financial Officer

RE: **Prop 99 Tobacco Tax Revenues**

This memo is in response to your request for information regarding the Department of Public Health's knowledge of reduced State funding to the Prop 99 California Healthcare for Indigents Program (CHIP). As you reported, tobacco tax revenues to the Department of Public Health CHIP program have been reduced by $3.1 to $4.9 million in FY 99-00. The Controller now proposes to substitute increased State revenues from the Educational Revenue Augmentation Fund to backfill the loss of revenue to CHIP programs.

As a part of the budget process, the Department of Public Health actively monitored developments in the preparation of the FY 99-00 State budget, including developments affecting Prop 99 funds. However, the Department of Public Health typically does not adjust its budget based on preliminary State budget projections, since these are subject to significant change during the State budget process. For example, this year's State budget included a proposal from Governor Davis to reduce Prop 99 tobacco tax revenues. At the same time, the State Legislature had introduced proposals to backfill or to restore funds to Prop 99 programs. In the end, legislative attempts to restore funding to Prop 99 programs were not successful and the final State budget, enacted in July, included reduced tobacco tax revenues to San Francisco. This final State budget was approved after the Department's FY 99-00 budget was complete.

The Controller also actively monitors State budget proposals and reviewed preliminary revenue projections during development of the budget for the Department of Public Health. Preliminary estimates had indicated that increased State revenues from other sources would offset reductions in revenue from Prop 99. As a result, the FY 99-00 budget for the Department of Public Health was not revised.

In late July 1999, the Department of Public Health received notification of the final State allocation to San Francisco for the Prop 99 California Healthcare for Indigents Program (CHIP). This notification occurred after approval of the final FY 99-00 budget. On August 12 the Public Health and Environment Committee held a hearing to approve a resolution authorizing the Department of Public Health to accept and expend the FY 99-00 CHIP allocation. At this time, Ann Carey from the Controller's Office reported that the City expected additional funds from the State that would be used to offset the shortfall in Prop 99 funding.

L:\BOS\Tobacco_supp.doc 10/13/99

Item 6 – File 99-1769

Department: Recreation and Park Department

Item: Resolution determining and declaring that the public interest and necessity demand the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of parks and recreation facilities and properties, and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $110,000,000 for the said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of the City and County and will require the incurring of a bonded indebtedness, and finding that the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Administrative Code Section 2A.53.

Amount: $110,000,000

Description: The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public interest and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and the proposed bonds must then be approved by two-thirds of the electorate. If the proposed resolution (determining and declaring that public interest and necessity justify the proposed bonds) is approved by a two-thirds vote of the Board of Supervisors, the proposed General Obligation Bond measure would be scheduled for a vote by the San Francisco electorate for the Special Election of March 7, 2000.

The proposed $110,000,000 General Obligation Bond Issue for the Recreation and Park Department would be issued over a five-year period, beginning in October of 2000, to provide $110,000,000 of the estimated total projects costs of $380,000,000 for the renovation and construction of Recreation and Park Department facilities. The balance of $270,000,000 ($380,000,000 less $110,000,000) will be provided from the funding sources

detailed in the Attachment, provided by Ms. Elizabeth Goldstein of the Recreation and Park Department.

According to the Bond Program Report, provided by Ms. Goldstein, the bond funds will be used for the general rehabilitation and/or replacement of deteriorated Recreation and Park Department facilities. Specifically, the bond program will provide funding for the improvement of major recreation centers and clubhouses, pools, restrooms, playgrounds, park infrastructure, landscape, reforestation and erosion control, courts and playing fields, and land acquisition.

Budget:

The total cost of all the proposed projects is estimated to be approximately $380,000,000. The Attachment provided by the Recreation and Park Department is a memorandum which contains the estimated costs of each of the capital improvement projects totaling $380,000,000, as well as each of the funding sources to pay for the project, including the subject request of $110,000,000 in General Obligation Bonds. This memorandum also identifies the status of each of these funding sources.

Comments:

1. The Bond Program Report, prepared by the Recreation and Park Department, contains descriptions of the capital improvements proposed to be funded for this $380,000,000 project, including the proposed $110,000,000 in General Obligation Bonds and other sources listed above. This Report is in file with the Clerk of the Board of Supervisors.

2. According to Ms. Laura Bordelon of the Mayor's Office of Public Finance, the City Charter provides for a legal debt limit of three percent of net assessed property value. The Mayor's Office of Public Finance has calculated the City's Debt Limit Ratio as follows:

Total Debt Limit for FY 1999-2000	$2,114,446,916
Estimated Outstanding General Obligation Bonds as of June 30, 1999	967,925,000
Remaining General Obligation Capacity	$1,146,521,916

However, it should also be noted that the Laguna Honda Hospital General Obligation Bond measure for

$299,000,000 is on the November 2, 1999, ballot, which if approved by the voters would further reduce the City's remaining General Obligation bonding capacity to $847,521,916.

If the subject bond issue of $110,000,000 proposed for the March 7, 2000, ballot were to be approved by voters, and all $110,000,000 in bonds were issued in FY 1999-2000, the remaining General Obligation bonding capacity would be $737,521,916. However, pursuant to the proposed plan of the Recreation and Park Department, Ms. Bordelon advises that the Recreation and Park Department bonds are anticipated to be sold in five separate issuances, within approximately five years after approval, thus allowing for a slightly larger General Obligation bonding capacity to remain until the subsequent bonds are sold. According to Ms. Bordelon, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

The Budget Analyst also notes that Item 7, File 99-1770 of this report contains a resolution for $87,445,000 of General Obligation Bonds for the California Academy of Sciences, which is scheduled to be brought to the voters on March 7, 2000. If this $87,445,000 Academy of Sciences General Obligation Bond measure is also approved at that time, and all $87,445,000 in bonds were issued in FY 1999-2000, it would further reduce the City's General Obligation bonding capacity to $650,076,916.

3. According to Ms. Bordelon, assuming the bonds are issued in an interest rate environment that reflects the norms for the past ten years, the proposed bonds would bear a true interest cost of 6.0 percent. It is anticipated that there will be five separate bond issuances, $20,000,000 in October of 2000, $25,000,000 in October of 2001, $35,000,000 in October of 2002, $15,000,000 in October of 2003 and $15,000,000 in October of 2004. Upon issuance of the entire $110,000,000, the average annual debt service would be approximately $9,627,175 and the total debt service would be $192,543,500 for the proposed 20-year bond period.

4. Section 3 of the proposed resolution also states that the Board of Supervisors finds and declares that the proposed project is (1) in conformity with the priority policies of Section 101.1(b) of the City Planning Code and (2) in accordance with Section 2A.53(f) of the City Administrative Code, that the proposed project is consistent with the City's General Plan and adopts the findings of the City Planning Departmen as set forth in the General Plan Referral Report, which is undated. Mr. Steve Shotland of the Planning Department reports that the General Plan Referral Report was issued on September 28, 1999. Section 3 of the proposed resolution should therefore be amended to include the date of September 28, 1999 for the General Plan Referral Report.

5. According to Ms. Ann Carey of the Controller's Office, if $110,000,000 in bonds were to be issued, the bonds would result in an increase in the Property Tax rate of approximately $0.01420 per $100 of assessed value. At this rate, the owner of a single-family residence assessed at $400,000, assuming the $7,000 homeowner's exemption, would pay an average of $55.91 in additional annual Property Taxes beginning in FY2000-2001.

6. As shown in the Attachment provided by the Recreation and Park Department, the $270,000,000 in other funding sources needed for this project are contingent on approval of Charter Amendments, State voter approval, Congressional approval and private donations. Ms. Goldstein reports that any shortfall in such anticipated funding sources will result in a reduction of the project.

7. On October 8, 1999, the Capital Improvement Advisory Committee (CIAC) approved the proposed General Obligation Bond measure.

8. If the electorate approves the proposed General Obligation Bonds, the subsequent issuance and sale of such bonds would require approval by the Board of Supervisors. Furthermore, expenditure of any of the proceeds of the proposed General Obligation Bonds by the Recreation and Park Department would also require a

subsequent supplemental appropriation ordinance to be approved by the Board of Supervisors.

Recommendation: Amend the proposed resolution by amending Section 3 to include the date of September 28, 1999 for the General Plan Referral Report, in accordance with Comment No. 4 above.

Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco Recreation and Park Department

October 14, 1999

Mr. James Edison
Office of Harvey Rose
Budget Analyst
Fox Plaza
1390 Market, Suite 1025
San Francisco, CA 94102

Dear Mr. Edison:

You requested additional information regarding the potential sources of funds that we have identified in our application for the park bond. The potential uses and sources of the funds are outlined in the attached tables. It is important to note that these tables refer to the Department's total projected capital need based a series of studies and conditions investigations done over the last few years.

The following is the status of the various funding sources referred to in the table of potential sources of funds.

Open Space Fund: Charter section 16.107 sets aside an amount equal to .025 cents for every $100 assessed vaulation from the annual tax levy to be deposited into the Fund. The fund currently reaps the Department approximately $16 million annually from property taxes. Charter section 16.107 is due to sunset in fiscal year 2004-05. Supervisor Gavin Newsom introduced a Charter amendment to be placed on the March 2000 ballot, at the Board of Supervisors on October 12 to extend the Open Space Fund for 30 years. (See Charter Amendment language – section (b)- page 2.) The Open Space Fund currently supplies the only steady source of capital and land acquisition funding that the Department receives. The fund also supports other programs such as the Natural Areas Management Program, Community Gardens and After-School Programs. The Charter amendment would allow the Department to dedicate new or enhanced revenues to these programs. As the Open Space Fund grows and Department revenues grow, we anticipate increasing the amount spent out of the Fund for capital and land acquisition purposes.

State Funding: The State Legislature has passed, and the Governor has signed, a bond package entitled the Villaraigosa-Keeley Urban Parks, Clean Water, and Coastal Protection Bond Act of 2000. This bond proposal goes before the electorate in March, 2000. The State bond package includes a competitive municipal grant program of $500 million. Most of the urban parks funding is targeted for the state's densest cities, including San Francisco. It also

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501 Stanyan Street
San Francisco, CA 94117-1898

Phone: (415) 831-2779
Fax: (415) 831-2096

includes a specific allocation for Golden Gate Park of $15 million. We have conservatively estimated that we will be able to win $30 million from this bond. This estimate is based on the various program categories that the City would be eligible for and a general apportioning throughout the state. A less conservative estimate might be $50-60 million.
In addition to the State Park bond program, the State has a number of granting programs that the Department is eligible for. For instance, we currently have three grants before the California Coastal Conservancy for almost $1 million. We have received positive feedback on these proposals and anticipate some resolution by early in the calendar year.

Federal Funding: The Land and Water Conservation Fund was created by Congress several decades ago. It dedicates off-shore oil revenues to a number of environmental and park-related programs. However, over the last decade or so Congress has authorized very little funding for park purposes. Congress is currently considering several pieces of legislation that would increase the money flowing through the program. One of the major elements is an enhanced municipal granting program that would come through the states. In the past, San Francisco has been the recipient of funds from the Land and Water Conservation Fund. We anticipate passage of one of these pieces of legislation in the next month or so.

Revenue and Lease Bonds: If passed by the voters the amendment to Charter section 16.107 allows the Board of Supervisors to authorize the issuance of revenue bonds or other instruments of indebtedness. (Please Charter Amendment language – Section (d) on page 3.) This capacity would be used in those instances when key capital needs such as land acquisition or a specific capital project outstrips the bond or other Open Space funding available.

Private Donations: The Friends of Recreation and Park currently raises $3.5 million a year for park projects. The $40 million goal for private donations represents an annual goal of $4 million over current actuals. The Conservatory of Flowers and other recent efforts have given the Department and the Friends confidence that these goals are achievable.

I hope this information is helpful. Please let me know if you have any additional questions.

Sincerely,

Elizabeth Goldstein
Director of Operational and Physical Planning

Capital Needs*

Buildings	
Clubhouses (40)	$ 39.6
Pools (7)	35.5
Recreation Centers (14)	107.3
Subtotal	$178.0
Parks^	
Neighborhood Parks (105)	$104.0
Major Parks (49)	48.0
Subtotal	$152.0
Golden Gate Park	$ 50.0
Total	**$380.0**

*In millions of dollars
+Over ten year period.
^Urban forestry is included as work item in other categories.

Potential Sources of Funds for Capital Needs+

Open Space Fund ($15/year)	$150.0
State Funding	30.0
Federal Funding (L&WCF)	30.0
GO Bond	110.0
Revenue or Lease Bond	20.0
Private Donations	40.0
Total	**$380.0**

*In millions of dollars
+Over ten year period.

Item 7 – File 99-1770

Departments: Academy of Sciences

Item: Resolution determining and declaring that the public interest and necessity demand municipal improvements consisting of the acquisition, rehabilitation, renovation, improvement, construction or reconstruction by the City and County of San Francisco of the California Academy of Sciences and all other works, property and structures necessary or convenient for the foregoing purposes, that the estimated cost of $87,980,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require the incurring of bonded indebtedness; finding the proposed project is in conformity with the priority policies of Planning Code Section 101.1(b) and with the General Plan consistency requirement of Administrative Code Section 2A.53.

Amount: $87,445,000

Description: The State General Obligation Bond Law requires that, in order for the City to issue General Obligation Bonds, a resolution of public interest and necessity must first be adopted by a two-thirds vote of the Board of Supervisors, and then the proposed bonds must be approved by two-thirds of the electorate. If the proposed resolution is approved by the Board of Supervisors, the proposed General Obligation Bond measure would be scheduled for a vote by the San Francisco electorate for the Special Election of March 7, 2000.

The proposed $87,445,000 of General Obligation Bonds for the California Academy of Sciences would be used to renovate, seismically upgrade and expand the City-owned Academy of Science facilities, located in Golden Gate Park. As contained in the Bond Program Report, the Academy of Sciences was initially constructed in 1916, with one-third of the current facility completed by 1932 and over half of the current

facility completed by 1960. The newest renovations were undertaken in 1991. The current Academy of Sciences complex consists of 12 separate buildings and two enclosed courtyards that total 378,443 square feet of space.

Under the proposed project, Bird Hall, which has been closed to the public since damage was incurred during the Loma Prieta earthquake in 1989, would be demolished, to be replaced by a new Science Education Center. Seismic upgrades would also be completed on the remainder the buildings, as well as improvements for disabled access and compliance with all health and safety codes. In addition, the proposed project would replace the aging infrastructure, existing leaking roofs and outdated electrical, plumbing and mechanical systems throughout the facilities. A second floor would be added to the existing Science Hall for additional scientific research on biodiversity and the former Whale Courtyard would be renovated. The newly renovated facility would add approximately another 50,000 square feet, or an increase of approximately 12 percent for a total of approximately 428,443 square feet of space.

Budget:

The total proposed project cost is $146,230,000, including $86,230,000 from the bond proceeds and $60,000,000 of private Academy of Science contributions and other government funds. Attachment I, provided by the Academy of Sciences, contains a budget for the $146,230,000 in proposed capital improvements and related costs.

As shown in Attachment II, the total amount of the bonds is currently estimated at $87,445,000, based on the Academy of Sciences project cost of $86,230,000, and related bond underwriter and bond issuance costs totaling $1,215,000.

Comments:

1. The Bond Program Report, prepared by the Academy of Sciences, contains detailed descriptions of the current problems with the Academy of Sciences facilities and the proposed benefits to be

derived from the proposed project. This Report is on file with the Clerk of the Board of Supervisors.

2. As contained in the Bond Program Report, if the proposed resolution is approved by the Board of Supervisors and a subsequent bond measure is approved by the voters in March of 2000, detailed designs for the project would be developed between April of 2000 and November of 2001, a 20-month period. According to Mr. Andy Klemer of the Paratus Group, a private consulting firm retained as the Project Manager by the Academy of Sciences, construction on the proposed project is estimated to begin in December of 2001. According to Mr. Klemer, it is anticipated that the project would be completed and the new facility operating by early 2006. Mr. Klemer advises that it is likely that the Academy of Sciences facilities in Golden Gate Park will be largely closed during the approximately four-year construction period.

Mr. Klemer notes that during this same approximate four-year construction period, the DeYoung Museum, which is located directly across the concourse from the Academy of Sciences facilities in Golden Gate Park, will also be undergoing major renovations and seismic upgrades, as a result of an estimated $135 million privately funded project. In addition, Mr. Klemer advises that an estimated $50 to $60 million privately funded underground parking garage will be constructed under the concourse, directly in front of the Academy of Sciences buildings during approximately this same time period.

3. According to Ms. Sarah Hollenbeck of the Mayor's Office of Public Finance, the City Charter provides for a legal debt limit of three percent of net assessed property value. The Mayor's Office of Public Finance has calculated the City's Debt Limit Ratio as follows:

Total Debt Limit for FY 1999-2000	$2,114,446,916
Estimated Outstanding General Obligation Bonds	
As of June 30, 2000	967,925,000
Remaining General Obligation Capacity	$1,146,521,916

However, it should also be noted that the Laguna Honda Hospital General Obligation bond measure for $299,000,000 is on the November 2, 1999 ballot, which if approved by the voters, would further reduce the City's remaining General Obligation bonding capacity to $847,521,916.

If the subject Academy of Sciences bond issue of $87,445,000 proposed for the March of 2000 ballot were also to be approved by the voters, the remaining General Obligation bonding capacity would then be reduced to $760,076,916. However, Ms. Hollenbeck advises that the Academy of Sciences bonds are anticipated to be sold in two separate issuances, thus allowing for a slightly larger General Obligation bonding capacity to remain until the subsequent bonds are sold. According to Ms. Hollenbeck, the amount of debt that can be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

The Budget Analyst also notes that Item 6, File 99-1769 of this report contains a resolution for $110,000,000 of General Obligation bonds for the Recreation and Park Department, which is scheduled to be brought to the voters on March 7, 2000. If this $110,000,000 Recreation and Park General Obligation Bond measure is also approved at that time, and all $110,000,000 in bonds were issued in FY 1999-2000, it would further reduce the City's General Obligation bonding capacity to $650,076,916.

4. According to Ms. Hollenbeck, assuming the proposed Academy of Science bonds are issued in an interest environment which reflects the norms for the past ten years, the Academy of Science bonds would bear a true interest cost of six percent.

It is anticipated that there will be two separate bond issuances, one for $11,380,000 in approximately May of 2000 and one for $76,065,000 in approximately October of 2001, for a total of $87,445,000. Upon issuance of the entire $87,445,000, the average annual debt service would be approximately $7,222,673 and total debt service would be $151,676,138 for the proposed 21-year bond period.

5. Section 3 of the proposed resolution also states that the Board of Supervisors finds and declares that the proposed project is (1) in conformity with the priority policies of Section 101.1(b) of the City Planning Code and (2) in accordance with Section 2A.53(f) of the City Administrative Code, that the proposed project is consistent with the City's General Plan and adopts the findings of the City Planning Department as set forth in the General Plan Referral Report, which is undated. Mr. Steve Shotland of the Planning Department reports that the General Plan Referral Report was issued on September 28, 1999. Section 3 of the proposed resolution should therefore be amended to include the date of September 28, 1999 for the General Plan Referral Report.

6. According to Ms. Ann Carey of the Controller's Office, if $87,445,000 in bonds were to be issued, the bonds would result in an increase in the Property Tax rate of approximately $.011206 per $100 of assessed value. At this rate, the owner of a single-family residence assessed at $400,000, assuming the $7,000 homeowner's exemption, would pay an average of $44.04 in additional annual Property Taxes beginning in FY 2001.

7. The proposed resolution states that the Academy of Sciences General Obligation Bond is in the amount of $87,980,000. However, as discussed in the Budget Section above, the actual General Obligation Bond proceeds required for the proposed project are $86,230,000 and including the related bond underwriter and bond issuance costs of $1,215,000, the total amount of the bonds is

estimated to total $87,445,000. Therefore, the proposed resolution should be amended to reflect that the total bond amount is $87,445,000, instead of $87,980,000, a reduction of $535,000.

8. According to Mr. Klemer, the Academy of Sciences does not currently have funds set aside for the projected $60 million of private contributions and other government funds to support the total estimated project costs of $146,230,000. However, Mr. Klemer advises that the Academy of Sciences plans to undertake a major capital campaign to raise these $60 million of funds. In addition, Mr. Klemer reports that, as indicated in the Bond Program Report, in the event that the final project costs are in excess of the $87,445,000 General Obligation Bond monies, and any available interest earnings, the only source of additional funding would be through contributions raised by the Academy of Sciences.

Mr. David Sanchez of the City Attorney's Office reports that a subsequent ordinance must be approved by the Board of Supervisors, if this subject resolution is approved by the Board, to enable the proposed bond measure to be placed on the March 7, 2000 ballot. Mr. Sanchez indicates that he is currently drafting language for this subsequent ordinance to state that the City's obligation would be limited by the proposed total $87,445,000 General Obligation Bond measure, and that any cost overruns would be the responsibility of the Academy of Sciences.

9. As shown in the Bond Program Report, the annual operating costs for the Academy of Sciences is currently approximately $19.2 million. In FY 1998-99, the City provided a total of $1,691,304 of General Fund revenue to the Academy of Sciences. The Bond Program Report states that there is not anticipated to be any significant impact on the overall operating costs, including program staffing, facility staffing and operations and maintenance of the buildings as a result of the proposed improvements.

10. On October 6, 1999, the Capital Improvement Advisory Committee (CIAC) approved the proposed General Obligation Bond measure.

11. If the electorate approves the proposed General Obligation Bonds, the subsequent issuance and sale of such bonds would require approval by the Board of Supervisors. Furthermore, expenditure of any of the proceeds of the proposed General Obligation Bonds by the Academy of Sciences would also require a subsequent supplemental appropriation ordinance to be approved by the Board of Supervisors.

Recommendations: Amend the proposed resolution by (1) amending Section 3 to include the date of September 28, 1999 for the General Plan Referral Report and (2) changing the amount of the General Obligation Bonds from $87,980,000 to $87,445,000, in accordance with Comments Nos. 5 and 7 above.

Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Attachment IV

Proposed Public Project Budget
Seismic Renovation and Code Compliance

General Construction Cost in Thousands	Bond Funded Cost	Other Funded Cost	Total Cost
1.0 Earthwork and Demolition	$2,691	$0	$2,691
2.0 Building Shell			
Foundations	$620	$0	$620
Substructure	5,232	0	5,232
Superstructure	10,913	0	10,913
Architectural Finishes	10,863	0	10,863
Mechanical Systems	7,257	0	7,257
Electrical Systems	3,947	0	3,947
Site Utilities	250	0	250
Total 2.0 Building Shell	$39,081	$0	$39,081
3.0 Special Finishes			
Tank Protective Coatings	$65	$0	$65
Acrylic Viewing Windows	0	0	0
Total 3.0 Special Finishes	$65	$0	$65
4.0 Specialized Equipment			
Life Support Systems	$380	$0	$380
Hoists	0	0	0
Group 1 Equipment	2,000	0	2,000
Total 4.0 Specialized Equipment	$2,380	$0	$2,380
5.0 Sitework			
Service/Corporation Yard Repairs	$728	$0	$728
Terraces and Entries	773	0	773
Sitework Repairs	525	0	525
Total 5.0 Sitework	$2,026	$0	$2,026
Subtotal	$46,243	$0	$46,243
General Conditions	5,318	0	5,318
Contractor's Overhead & Profit	2,062	0	2,062
Subtotal	$53,623	$0	$53,623
6.0 Exhibitry	$0	23,750	$23,750
Subtotal	$53,623	$23,750	$77,373
Scope Development Contingency	5,362	2,375	7,737
Subtotal	$58,986	$26,125	$85,111
Construction Contingency	5,899	2,613	8,511
Escalation	8,111	3,592	11,703
Total Construction Cost in Thousands	$72,995	$32,330	$105,324

Project Cost in Thousands	Bond Funded Cost	Other Funded Cost	Total Cost
Total Construction Cost in Thousands	$72,995	$32,330	$105,324
Other Project Costs In Thousands			
7.0 Hazardous Materials Mitigation Cost	$1,250	$0	$1,250
8.0 Permits & Fees			
Review of Existing EIR	$800	$0	$800
Professional Design Fees	0	9,137	9,137
Exhibit/FF&E Design Fees	0	8,082	8,082
Project & Construction Management	0	5,056	5,056
Civil & Geotechnical Engineering	170	100	270
Hazmat Mitigation Design Fees	45	0	45
Security & MIS Consultants	75	0	75.
Permits & Plan Check Fees	800	0	800
Inspections & Testing	1,000	0	1,000
Owner's Insurance & Performance B	985	0	985
Utility Fees	250	0	250
City Agency Fees	700	0	700
Bond Legal & Financing	0	0	0
General Project Legal Fees	0	500	500
Inhouse Facilities Engineering	0	195	195
Subtotal 8.0 Permits & Fees	$4,825	$23,070	$27,896
9.0 Temporary Systems, Relocation & Mo	$4,500	$0	$4,500
10.0 FF&E	$0	$4,500	$4,500
11.0 Telecommunications & Security Syst	$1,200	$100	$1,300
12.0 Art Enrichment	$1,460	$0	$1,460
Total Other Project Costs	$13,235	$27,670	$40,906
Total Project Cost	$86,230	$60,000	$146,230

ATTACHMENT VI

California Academy of Sciences
Proposed General Obligation Bond Measure
$86,230,000 Project Cost
Aggregate Debt Service
Total Bond Par Amount: $87,445,000

Aggregate Estimated Sources and Use of Funds

Estimated Sources:

Par Amount of Bonds	$87,445,000
Total	$87,445,000

Estimated Uses:

Project Fund	$86,230,000
Underwriters' Discount	612,115
Costs of Issuance	600,000
Rounding	2,885
Total	$87,445,000

Item 8 – 99-1859

Departments:	Department of Public Works (DPW) Public Utilities Commission (PUC) Real Estate Department (DRE)
Item:	Resolution authorizing the acquisition by the City of Lots 3 and 4 in Assessor's Block 4501 to permit the Public Utilities Commission (PUC) to expand the 1,232 square foot Southeast Water Pollution Control Plant Booster Pump Station by an additional 2,287 square feet, and adopting findings pursuant to City Planning Code Section 101.1.
Comment:	Mr. Harry Quinn of the DRE has requested that this proposed resolution be continued to the call of the Chair.
Recommendation:	Continue the proposed resolution to the call of the Chair, as requested by the DRE.

Item 9 – File 99-1860

Department:	Public Transportation Commission (PTC) Municipal Railway (MUNI) Department of Real Estate
Item:	Resolution authorizing an extension and a modification of an existing lease of real property at 23rd and Illinois Streets for the Municipal Railway.
Location:	A portion of Lot 10 of Assessor's Block 4232, at 23rd and Illinois Streets, near Pier 72.
Purpose of Lease:	To provide space for the continued storage of street cars, materials and equipment for the Municipal Railway and to provide for improvements to be provided by the landlord and maintained by MUNI.
Lessor:	Harrigan, Weidenmuller, Co.
Lessee:	City and County of San Francisco.
No. of Sq. Ft. and Cost Per Month:	The leased property consists of approximately 50,000 square feet of warehouse space and a paved lot area of approximately 34,000 square feet, totaling approximately 84,000 square feet. The lease rate under this subject extended lease is $31,800 per month, or approximately $0.38 per square foot per month.
Annual Cost:	$381,600.
Increase over Prior Lease:	The prior lease rate was $25,520 per month, or approximately $0.30 per square foot per month ($306,240 annually). The proposed lease amendment would result in an increase in annual rent of $75,360 or 24.6 percent from $306,240 to $381,600 per year.
Source of Funds:	Fiscal Year 1999-2000 Operating Budget of the Municipal Railway.
Utilities and Janitor Provided by Lessee:	The City is to continue to pay for the costs of all utilities and janitorial services.

Term of Lease: The existing lease expired on July 1, 1999. The proposed extension would extend the term of the existing lease for three years, retroactive from July 1, 1999, to June 30, 2002. Since the expiration of the existing lease on July 1, 1999, MUNI has been leasing the subject property on a month-to-month basis at the new proposed increased monthly rental rate of $31,800. According to Mr. Steve Legnitto of the Department of Real Estate, this legislation to extend the lease was not submitted to the Board of Supervisors for approval prior to July 1, 1999, because negotiations with the landlord were not yet completed.

Right of Renewal: None.

Description: MUNI has leased the subject property at 23rd and Illinois Streets, near Pier 72 since 1987. The proposed resolution would authorize MUNI to enter into an extension of the existing lease, at the existing lease rate of $0.38 per square foot per month over the three-year term of the lease renewal. MUNI uses the subject property for storage of street cars, materials and equipment.

According to Mr. Legnitto, the proposed lease modification provides that the Landlord will install new iron fencing, improve area lighting, and repair and maintain the roof and structure of the building at no cost to the City.

Comment: According to Mr. Legnitto the reason for a rental rate increase of 24.6 percent, which according to the Department of Real Estate represents fair market value, is that real estate prices, and lease rates, have increased significantly over the two years since the prior lease rate was set.

Recommendation: Because the proposed rental rate would increase by 24.6 percent and because such an increased rental rate has been paid since July 1, 1999 under a month-to-month lease without prior approval by the Board of Supervisors, approval of this proposed resolution is a policy matter for the Board of Supervisors.

Item 10 – File 99-1867

Department: Department of Public Works (DPW)

Item: Hearing to consider the release of reserved funds in the amount of $785,000 for the Japantown Peace Plaza Project.

Amount: $785,000

Source of Funds: Funds reserved in DPW's FY 1999-2000 annual budget for Citywide Capital Projects.

Description: During the FY 1999-2000 annual budget review, the Finance and Labor Committee placed $2,750,00000 of DPW's Capital Improvement Budget for Citywide Capital Projects on reserve pending submission of budget details and identification of the specific projects to be implemented with these funds. DPW now requests the release of $785,000 of these funds to supplement the Phase 2 project budget for the Japantown Peace Plaza Project.

The Japantown Peace Plaza is located between Post Street and Geary Street at the terminus of the Buchanan Street Pedestrian Mall. The requested funds are to supplement the budget for Phase 2 of the Japantown Peace Plaza Project, which consists of a complete renovation of the existing Peace Pagoda as well as the complete redesign and construction of a new Plaza, including new stone paving, a large fountain and a performance stage.

Budget: Phase 1 of the project consisted of demolition of the existing Japanese Peace Plaza and removal of hazardous materials, at a total cost of $267,588. Phase 2 of the project is currently expected to cost $2,835,000, resulting in a total estimated project cost for Phase 1 and Phase 2 of $3,102,588. Of the $2,835,000 in estimated Phase 2 costs, $2,050,000 has previously been allocated by the Board of Supervisors. This request for $785,000 would provide the additional funds required to complete Phase 2. Attachment I, provided by DPW, lists the total sources and uses for the overall project cost of $3,102,588,

including the costs of $267,588 for Phase 1 and the estimated costs of $2,835,000 for Phase 2.

According to Ms. Tina Olsen of DPW, DPW issued an Invitation For Bids for the construction costs of Phase 2 but received only one bid, from Competent Builders, Inc. The bid amount of Competent Builders, Inc., was $2,789,000, which was $1,389,000, or over 99 percent more than the construction costs of $1,400,000 as had been estimated by DPW. According to Mr. Primeau, Director of Public Works, the additional costs are partially attributable to the fact that the there is currently more demand for construction services than available contractors, and that therefore the costs of construction are difficult to estimate. Mr. Primeau explains that working with the contractor, Competent Builders, Inc., DPW and the contractor renegotiated a final contract amount of $2,400,000. Although the $2,400,000 contract amount is $389,000 less than the contractor's bid of $2,789,000, the final contract amount of $2,400,000 is still $1,000,000, or over 71 percent, more than DPW's original estimated cost of $1,400,000 for the construction contract. Attachment II is a memorandum from Ms. Shannon Maloney of DPW providing a written explanation why the contractor's bid was over 99 percent more than DPW's estimated costs and why only one contractor submitted a bid for a contract estimated at $1,400,000. Attachment II also lists the modifications made by the contractor to reduce the contract cost by $389,000.

Attachment III, provided by DPW, lists the work to be performed under the construction contact. It should be noted that this attachment also includes the work performed in Phase 1, and so lists total costs of $2,667,588, $267,588 more than the amount of the $2,400,000 Phase 2 construction contract.

Comments:

1. DPW reports that it worked with the nine members of a Community Task Force, as identified in Attachment II, to identify elements of the project that could be modified to reduce costs.

2. DPW anticipates that this project is expected to be completed in time for the Cherry Blossom Festival in March of 2000.

Recommendation: Approval of the release of the requested reserved funds of $785,000 is a policy matter for the Board of Supervisors.

Japantown Peace Plaza Project
Sources and Uses of Funds

1. Sources	Amount
SFRA	600,000
General Fund - (99-00 CIP)	350,000
Open Space	424,843
ADA Improvement Funding (98-99 CIP)	110,000
DPT - Japantown Garage Gift	550,000
DPT - Garage Repair Funds	132,745
Community Fundraising	150,000
Proposed Release of Reserve	785,000
Total	$3,102,588

2. Uses	Amount
Demolition (Contract & Staff)	$267,588
A/E Fees (Demo & Project)	160,000
Permits	15,000
Construction Contract - Competent Builders, Inc.	2,400,000
Contingency @ 5%	120,000
Construct Mgmt (see attached for details)	140,000
Subtotal	$3,102,588

Summary of DPW's Construction Management Costs
Japantown Peace Plaza Project

Position	Months	Hours Month	Hours	Hourly Rate	Total
Project Manager	8	20	160	$115	$18,400
5208 Resident Engineer	8	70	560	85	47,600
6331 Field Inspector	6	100	600	75	45,000
5204 Assist. Engineer - Prevailing Wage Monitoring	6	15	90	56	5,040
Materials Testing Lab	6				23,960
Total Construction Management Costs					$140,000

City and County of San Francisco

Willie Lewis Brown, Jr., Mayor
Mark A. Primeau, Architect, AIA, Director

(415) 558-4021
FAX (415) 558-4519
http://www.sfdpw.com

Department of Public Works
Project Management Division
30 Van Ness Avenue, 5th Floor
San Francisco, CA 94102-6020

Kathryn How, Assistant City Engineer

October 14, 1999

To: James Edison
From: Shannon Maloney SM
Re: Japantown Peace Plaza

Tina Olson asked me to send you a memo to clarify the following issues.

1. In the current bidding climate, it is not unusual to receive only one bid on a given project. In some cases we have received no bids at all. Recently we bid a project entitled "Ecker Street Alleyway Improvement" and we received no bids on the Project. I am managing two other recent projects that have received only one bid, namely "Pioneer Park" and an "As-Needed Park Construction Project." Contractors are very busy doing projects in the private sector as well as at the Airport.

2. Because we only had one bidder on this Project, George Wong, of the City Attorney's Office, advised us that we could negotiate with the contractor to try to bring the cost down. However, I should preface discussion of any negotiated changes with the fact that the Contractor's initial bid was probably inflated because he was the only bidder. I'm sure when he realized that there were no other bidders, he pumped up the price. Knowing that, we met with the Contractor several times and agreed upon the following.

   - We would construct the ADA access from Geary Boulevard first, so that subsequent work could be staged from Geary Boulevard. (This access had originally been an alternate bid item.) This assuaged some of the Contractor's concern over inadequate staging area on Post Street.

   - We reduced the size of the stone pavers from 4-feet square to 2-foot square, so that one laborer could lift the paver. By reducing the size, we could also reduce the thickness. This resulted in both a reduction of labor costs and a reduction in the cost of shipping.

   - We changed the waterproofing to one that is easier to apply during damp weather. This reduced the Contractor's concern over delays due to inclement weather

- We chose a different, less expensive, pump for the fountain.
- We changed the grating material from bronze to stainless steel.
- We adjusted the drainage so that the amount of concrete was slightly reduced.
- We eliminated the granite nosing on the stairs and substituted it with contrasting concrete.

3. We plan to award this project as soon as there is a release of the dollars on Reserve at the Board of Supervisors. We are aiming for "Substantial Completion" of Japantown Peace Plaza for the Cherry Blossom Festival in April of 2000. Hundreds of guests are coming from Japan for this event.

4. The following individuals were members of the Japantown Peace Plaza Task Force.

   - Allen M. Okamoto, Chair
   - Hisao Hiro, Kintetsu Enterprises of America
   - Tom Okazaki, President Nihonmachi Merchants Association
   - Steve Nakajo, ED Kimochi Inc.
   - Kaz Naganuma, Naganuma & Associates
   - Geri Handa, Secretary, Japantown Planning and Preservation Task Force
   - Jeff More, ED Asian American Residential Recovery Services
   - Yukio K. Kitagawa, 1999 Cherry Blossom Festival
   - Karen Kai resigned from the Task Force

   There were other Community members who attended an occasional meeting.

5. As I had mentioned in an earlier memo, we bid this project knowing that the engineer's estimate was low. Last spring, construction costs skyrocketed and in April I flagged this issue with Mark Primeau. Mark Primeau went to the CIAC in May with a request for additional funding. At that time, the CIAC decided that they would wait, until DPW had a firm bid, to take any action.

6. Last Novemeber, when we began working with the Task Force, we were assuming that this would be a typical DPW project. The members of the Task Force, however, were looking at this plaza as the centerpiece of Japantown. Their expectation in terms of both materials and design features was very high. The Task Force members felt that cut stone was the only appropriate paving material. Typically we would use concrete. The Task Force members also felt that inclusion of a water feature and permanent stage was critical.

These are not design features that we typically include in public open spaces built by DPW. Consequently, we did not have "comparables" for cost estimating.

7. Finally, an old rule of thumb for estimating the cost of a project, is to take the cost of materials and double it. Sometimes labor costs go as high as twice the cost of materials. For Japantown, labor costs are running as much as four times the cost of materials. Because of the accelerated timeline of this project, sub-contractors are postponing work they already have scheduled and putting Japantown at the top of their list. They are willing to do this only at an inflated price.

Having said all this, my mandate is to get this project under construction a.s.a.p. The goal is to have it substantially complete by Cherry Blossom 2000.

Attachment III

Total Japantown Peace Plaza Construction Costs (Including Demolition)
September 15, 1999

Description	Total Construction Cost	Comments
Structural	$350,000	Slab modifications / Concrete reinforcing
ADA Work	140,000	ADA Compliance work / Access from Geary
Pagoda	90,000	Special Scaffolding due to Pagoda shape
Landscaping	245,000	Special irrigation and Specimen trees
Drainage	45,000	Plaza is over the Parking Garage
Waterproofing	720,588	Water leaking into Garage / Includes demo
Stone Paving	285,000	Natural materials / aesthetic
Stage	195,000	Community events / Festivals
Fountain	265,000	Soothing sound / Aesthetic
Lighting	175,000	Night use / Security
Site Furnishings	85,000	Seating / tree grates/handrails
Geary St. Entry Gate / Storage	72,000	Access from garage
Total	**$2,667,588.00**	

Item 11 – File 99-1712

Note: This item was re-referred to the Finance and Labor Committee from the Board of Supervisors meeting of October 12, 1999.

Department: Administrative Services

Item: Resolution authorizing the Director of Administrative Services to execute amendments to an agreement, related to the Moscone Center Expansion Project, dated May 16, 1997, increasing the amount of the agreement by $4,500,000, from $9,526,326.38 to $14,026,326.38.

Amount: $4,500,000

Source of Funds: Previously appropriated FY 1999-2000 Hotel Tax funds in the Department of Administrative Services – Moscone Center Expansion Project budget.

Description: The proposed resolution would authorize the Director of Administrative Services to enter into two or more amendments to an existing contract with Gensler/Michael Willis & Associates/Kwan Henmi Architects for architectural and engineering design and related services in connection with the new Moscone Center Expansion Project in an amount not to exceed $4,500,000, increasing the amount of the agreement from $9,526,326,38 to $14,026,326.38. Section 9.118 of the City Charter requires that all contracts in excess of $10 million must be approved by the Board of Supervisors. The funds for the proposed modifications will come from Hotel Tax fund monies previously appropriated by the Board of Supervisors for the Moscone Center Expansion Project in the FY 1999-2000 budget.

In March of 1996, San Francisco voters approved a ballot measure authorizing the issuance of Lease Revenue Bonds, in an amount not to exceed $157.5 million, for the development of a new 240,000 square-foot separate facility at 860 Howard Street to provide additional convention meeting and exhibit space to supplement the Moscone Convention Center. The existing Moscone Convention Center at 747 Howard Street, which was expanded by 300,000 square feet in 1992 and 1993, now encompasses a total of 600,000 square feet in convention meeting and exhibit space.

On May 16, 1997, the Director of Administrative Services entered into a contract with Gensler/Michael Willis & Associates/Kwan Henmi Architects for architectural and engineering design and related services for the new Moscone Center Expansion Project in the amount of $9,526,326.38. According to Mr. Leonard Tom, Director of Finance for the Moscone Center Expansion Project, managed by the Department of Administrative Services, the contract was awarded under a competitive request for proposal process.

According to Mr. Tom, the basic scope of the Moscone Center Expansion Project was enlarged in September of 1997, necessitating the additional architectural and engineering design work. The net useable floor area was increased by 60,000 square feet, from 240,000 to 300,000 square feet, additional land purchases were authorized, the project's construction budget only was increased from $144,000,000 to $191,000,000 and the project completion date was extended one year to February of 2003. The total estimated costs of the Moscone Center Expansion Project, construction, design and other costs, originally $195,500,000 in May 1997 and later increased to $244,100,000 in September 1997, will be financed from Lease Revenue Bond proceeds and Hotel Tax revenues. Attachment I, provided by the Moscone Center Expansion Project, details (a) all sources of funds for the Moscone Center Expansion Project, (b) all projected costs, and (c) an explanation as to why the proposed additional architectural and engineering design and related services, of up to $4,500,000, should not be obtained through a competitive request for proposal process.

Mr. Tom states that additional architectural and engineering design and related services, of up to $4,500,000, which is the subject of this request, are necessary for the enlarged project, and that therefore the contract with Gensler/Michael Willis & Associates/Kwan Henmi Architects must be amended to reflect the additional required work. Attachment II, provided by the Moscone Center Expansion Project, details a proposed contract modification in the amount of $3,583,596 and the additional services that would be provided. Attachment III is a memo from Mr. Tom that details additional

anticipated contract requirements of up to $916,404. Therefore, the total required contract amendments would not exceed $4,500,000 ($3,583,596 plus $916,404).

Comment: As of the writing of this report, the Moscone Center Expansion Project staff and the City Attorney's Office are reviewing the eligibility status of Gensler/Michael Willis & Associates/Kwan Henmi Architects under Chapter 12D of the Administrative Code (Minority/Women/Local Business Utilization).

Recommendation: The proposed resolution is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco
Moscone Center Expansion Project

Willie Lewis Brown, Jr., *Mayor*

Mark Primeau, *Director of Public Works*

Ray Fong, *Project Manager*

MEMORANDUM

DT: Sept. 30, 1999
TO: James Edison, Budget Analyst
FM: Leonard Tom LT
RE: Moscone Expansion Project – Follow Up Responses

Per your request, following is a comparison of the hard and soft costs for construction of the Moscone Center Expansion Project between May 1997 (start of A&E contract) and current.

Category	May 1997	Current
Building Demolition/Construction Contracts /FF&E	$144.0 million	$191.0 million
Construction Contingency	$ 14.4 million	$ 12.8 million
Offsite Infrastructure	$ 3.4 million	$ 2.8 million
Architecture/Construction Management	$ 22.2 million	$ 26.3 million
Consultants	$ 1.2 million	$ 0.7 million
City Departments, Permits, Fees, Art Projects	$ 10.3 million	$ 11.1 million
Total	$195.5 million	$244.7 million

FUNDING SOURCES

Revenue Bonds (available for construction)	$115.0 million	$115.0 million
Hotel Tax Revenue (post 8/96)	$ 67.0 million	$ 81.3 million
Convention Facilities Fund Balance	$ 13.5 million	$ 48.4 million
Total	$ 195.5 million	$244.7 million

In response to your question why we are not putting this additional work out to competitive bidding, the majority of our request is for work (construction administration) that was always contemplated in the architect's basic responsibility to take a project from preliminary design to final completion. We are supplementing the original certified value to bring on that phase of the work at this time. It would not be time efficient or cost effective to stop work and solicit proposals from new architectural teams to modify the building design. Professional liability requirements would not allow the consecutive mixture of different teams on the same project.

Cc: Jack Moerschbaecher
RF/JO/BH

Ltom/MCEP Accounting/AE Board Resolution

99 Grove Street #204 San Francisco, CA 94102 ~ Telephone (415) 978-5901 Fax (415) 978-5913

ATTACHMENT A

Additional Services

Architect shall provide additional services for the construction administration phase of the project. The construction administration phase work shall be performed in accordance with the applicable provisions set forth in the Agreement, dated May 16, 1997. This work includes, but is not limited to, assistance during contract bidding and award, review of construction issues arising during performance of the construction contracts, responding to all information requests made by the general contractor(s), review and approval of all shop drawings and all other submittals prepared by the general contractor(s). Additional cost of this work is not to exceed $3,331,943.00 without specific written amendment to this contract executed by the City. The estimated time frame for this work is approximately three and a half years, from September 1999 through February 2003.

The Architect shall provide additional air quality research to ensure proper design of internal ventilation systems serving the loading areas in the basement of the new building. Total cost of this research is not to exceed $1,653.00 without specific written authorization by the City.

The Architect shall reimburse the City, with interest, for the advanced payment for project insurance premiums in the amount of $250,000.00. This payment was made because the City required a project specific insurance policy for the project, which entailed a lump sum payment for the premiums by the Architect. For normal insurance the Architect would have paid annual premiums for the life of the project.

Moscone Center Expansion Project 9/30/99
A&E Construction Administration Cost Projection
Gensler/Michael Willis/Kwan Henmi Joint Venture

Position	FTE	Hours/Mo.	Billing Rates		Cost/Month	
Project Director	0.5	85	$	160	$	13,600
Senior Architect(s)	1.5	255	$	105	$	26,775
Project Administrator	1.0	170	$	67	$	11,390
Subconsultants	as needed	135	$	105	$	14,175
		Total fees/month			$	65,940
		Reimbursables (ave.)			$	8,103
Contruction Admin. period to last 45 months (10/99 - 6/03)		Monthly Average Cost			$	74,043
		X # months				45
		Budgeted Expense			$	3,331,944

ltcm/moscone 3/A&E Contract Adm.

City and County of San Francisco

Moscone Center Expansion Project

Willie Lewis Brown, Jr., *Mayor*

Mark Primeau, *Director of Public Works*

Ray Fong, *Project Manager*

MEMORANDUM

DT: Sept. 30, 1999
TO: James Edison
FM: Leonard Tom LT
RE: File 991712 - MCEP Contract Mod. – Additional Modification Requests

The Moscone Expansion Project has already come to agreement on $3,583,596 worth of contract modifications with the joint venture. Approximately $3 million of that amount is for the construction administration phase of work that was originally anticipated, but not certified at the start of the contract work.

Following is a list of contract modification requests for additional services, which are currently being negotiated between the City and the joint venture and we expect to certify in the very near future. We are requesting the authority to make these changes at this time to reduce the need to go back repeatedly to the Board for an item by item approval.

Additional seismic testing of structural joints	$114.5 K
Electrical/life safety commissioning	$101.9 K
Friction dampers study/design	$146.4 K
Basement cafeteria revisions	$ 11.5 K
Building HVAC commissioning	$127.2 K
Additional civil services	$ 39.1 K
Additional cooling tower enclosure effort	$ 10.7 K
Interior Art Project additional work	$ 78.4 K
Exterior Art Project additional work	$125.2 K
Total Additional Requests	$754.9 K

We are proposing an additional reserve of $161,504 (to round our current request to the Board to $4,500,000) for future consultation on furnishings, fixtures and equipment (FF&E), which will need to be coordinated with design to make the new building operational. This reserve represents one percent of the contract value and is conservative, given the size and complexity of the project.

Please call me at 978-5905 with any other questions you might have.

Cc: RF/JO
Jack Moerschbaecher

Ltom/MCEP Accounting/AE Board Resolution

Item 12 – File 99-1646

Item:

Resolution imposing Interim Zoning Controls for a period of eight months to (a) add live/work units to the definition of residential use in Article 8, Section 890.88 of the Planning Code; (b) to delete the exemption from height limits for live/work units set forth in Planning Code Section 260(b)(2)(0); (c) to delete live/work units from the list of other uses set forth in Planning Code Section 227(p) and 227(q); and (d) include live/work units in the list of dwellings set forth in Planning Code Section 215.

Description:

Currently San Francisco Planning Code Section 102.13 defines a live/work unit as "a structure or portion of a structure combining a residential living space for a group of persons including not more than four adults with an integrated work space principally used by one or more of the residents."

The proposed resolution would impose Interim Zoning Controls for a period of eight months to add live/work developments to the definition of residential use in Article 8, Section 890.88 of the Planning Code. The proposed resolution would therefore require live/work developments to be subject to all of the zoning and permitting rules under the Planning Code which are currently applicable only to residential developments. The proposed resolution would also make other deletions and additions to the Planning Code to reflect the designation of live/work units as residential units.

Currently live/work developments in the South of Market mixed-use districts are exempted from the applicable height limits in each district and are allowed to build five feet above such height limits. The proposed resolution would delete the exemption from height limits for live/work units in the South of Market Area as set forth in Planning Code Section 260(b)(2)(0). Therefore, live/work units could no longer be built five feet above applicable height limits.

Comments:

1. Mr. Amit Ghosh of the Planning Department reports that as of September 30, 1999, there were 2,176 planned live/work units in San Francisco which were pending

Planning Department approval. Mr. Ghosh advises that 715 of the 2,176 pending live/work units are located in areas which are designated "Service Light Industrial" where, if the proposed resolution were to take effect, their construction would no longer be permitted. If such units were not built, the City would therefore not receive the incremental Property Tax revenue which would be realized as a result of those developments, unless alternative developments were built instead.

2. According to Mr. Ghosh, 919 of the 2,176 live/work units which have not yet received Planning Department approval are located in zoning districts where, if the proposed resolution were approved, they would become subject to conditional use authorization by the Planning Commission. Mr. Ghosh advises that conditional use authorization requires that certain conditions be met before a development is approved by the Planning Commission. According to Mr. Ghosh, the Planning Department would fully recover, through fees charged to developers, all increased administrative costs associated with live/work units which would be subject to conditional authorization.

Live/work developments which are located in areas where, under the proposed resolution, would require conditional use authorization and are larger than 10 units would become subject to the City's affordable housing requirement that up to 10 percent of all such units be made available at below market rates for persons with low to moderate incomes. Currently, live/work units are not subject to this affordable housing requirement. According to Mr. Ghosh, the number of units, per unit sale price, and resident income requirements for affordable housing units are determined on a case-by-case basis by the Planning Commission.

Mr. Ghosh reports that the exact number of the 919 live/work units which are located in developments of 10 units or more, and therefore would be subject to the affordable housing requirement, had not been determined as of the writing of this report but will be presented at the October 20, 1999 Finance and Labor Committee meeting. If it is assumed that all 919 of the live/work units were

subject to the affordable housing requirement, a maximum of 91 of the 919 units (up to 10 percent) would be required to be designated as affordable housing units.

3. As noted above, under the proposed resolution, of the 2,176 pending live/work units, the construction of the 715 units would no longer be permitted and the construction of the 919 units would be permitted subject to conditional use approval by the Planning Commission. Furthermore, Mr. Ghosh reports that an additional 24 units would be subject to conditional use approval only if they were occupied by artists. If such units were not occupied by artists, they could not be constructed. Mr. Ghosh advises that, therefore, construction of the remaining 518 units (2,176 minus 715 minus 919 minus 24) would be permitted. According to Mr. Ghosh, however, under the proposed resolution, the developers of the 518 units may be required to redesign building plans in order to meet residential design standards which are contained in the Planning Code. Mr. Ghosh reports the 919 units which would be subject to conditional used approval would also be required to meet residential design standards.

4. Currently, all projects which increase the habitable floor area for residential occupancies or increase the floor area for commercial occupancies in San Francisco are assessed and required to pay a State-mandated School Facility Impact Fee to the San Francisco Unified School District (SFUSD) before a building permit can be issued. The fee is based upon the square footage of the development and is applied according to a fee schedule based on the type of proposed projects. Currently, such residential developments are charged a rate of $1.72 per square foot and light industrial developments are charged $0.22 per square foot.

According to Mr. Michael Terry of the SFUSD, in the case of live/work units, the SFUSD is responsible for determining the amount of the School Facility Impact Fee to be charged. Mr. Terry advises that the SFUSD currently applies both the residential and light industrial fee rates to live/work units depending on the amount square footage dedicated to each type of use (i.e., residential or light industrial).

In other words, the SFUSD determines what portion of the square footage in each live/work unit is deemed to be residential and applies the residential rate of $1.72 per square foot, and what portion is light industrial and applies the light industrial rate of $0.22 per square foot to establish a School Facility Impact Fee. The SFUSD reports that the evaluation of the ratio of residential to commercial space in each live/work unit is done on a case by case basis, based on the building plan documents for each development.

Under the proposed resolution, all live/work developments would be designated as residential units under the Planning Code. If the SFUSD were to make a policy decision to apply the higher residential rate of $1.72 per square foot to the entire square footage of all future live/work developments, the SFUSD would realize some amount of increased revenues from the School Facility Impact Fee.

At the same time, under the proposed resolution some amount of revenues to the SFUSD from the School Facility Impact Fee would decrease because, as noted in Comment #1, the proposed resolution would have the effect of prohibiting development of 715 of the 2,176 pending live/work units which would therefore not be assessed the School Facilities Impact Fee, unless alternative developments were built instead.

In order to estimate the potential net revenue impacts to the SFUSD, the Budget Analyst requested data from the SFUSD to determine the average School Facilities Impact Fee applied to recent live/work developments. However such data had not been provided by the SFUSD as of the writing of this report.

Fiscal Impact Summary:

Of the 2,176 pending live/work units, 715 are located in areas which are designated "Service Light Industrial" where, if the proposed resolution were to take effect, their construction would no longer be permitted. If such units were not built, the City would therefore not receive the incremental Property Tax revenue which would be

realized as a result of those developments, unless alternative developments were built instead.

The SFUSD would experience some amount of increased revenues from the School Facility Impact Fee if the SFUSD were to make a policy decision to apply the higher residential rate to the entire square footage of all future live/work developments in place of the current system of calculating the fee by determining the portion of the square footage in each live/work unit deemed to be residential ($1.72 per square foot) and light industrial ($0.22 per square foot).

At the same time, some amount of revenues to the SFUSD from the School Facility Impact Fee would decrease because the proposed resolution would have the effect of prohibiting development of 715 of the 2,176 pending live/work units which would therefore not be assessed the School Facilities Impact Fee, unless alternative developments were built instead.

Recommendation: The proposed resolution is a policy matter for the Board of Supervisors.

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey

City and County of San Francisco
Meeting Minutes
Finance and Labor Committee

Members: Supervisors Leland Yee, Sue Bierman and Tom Ammiano

Clerk: Mary Red

City Hall
1 Dr. Carlton B.
Goodlett Place
San Francisco, CA
94102-4689

Wednesday, October 27, 1999 **10:00 AM** **City Hall, Room 263**

Regular Meeting

Members Present: Leland Y. Yee, Tom Ammiano.

Members Absent: Sue Bierman.

Meeting Convened

The meeting convened at 10:00 a.m.

991912 **[Government Funding, capital improvements at the San Francisco Zoo]**

Ordinance appropriating $16,898,894 of Zoo Facilities Bond Proceeds for capital improvements, repair and replacement projects, and Bond issuance costs associated with the Zoo Master Plan Phase II, through the Department of Public Works, for fiscal year 1999-2000. (Controller)

(Companion measure to File 991913.)

10/6/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; David Anderson, Director, S.F. Zoo; Supervisor Yee. Opposed: David Frost; Emery Kalman. Amended to place $200,000 on reserve and to request the Zoological Society to provide the Board of Supervisors with an annual report on expenditures of construction management and program management funds, commencing in December of 2000. New title.

AMENDED.

Ordinance appropriating $16,898,894 of Zoo Facilities Bond Proceeds for capital improvements, repair and replacement projects, and Bond issuance costs associated with the Zoo Master Plan Phase II, through the Department of Public Works, for fiscal year 1999-2000; placing $200,000 on reserve; and requesting the Zoological Society to make an annual report to the Board of Supervisors, commencing December of 2000. (Controller)

(Companion measure to File 991913.)

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991913 **[Authorizing the Director of Public Works to contract with the S.F. Zoological Society to perform construction work at the Zoo, without advertising for competitive bids, said contract not to exceed $913,500.]**

Ordinance authorizing the Director of Public Works to contract with San Francisco Zoological Society for Zoo staff to perform all necessary construction work related to the repair and replacement of Zoo facilities in connection with the San Francisco Zoo Phase II Master Plan Project, an exception to competitive bid requirements. (Department of Public Works)

(Companion measure to File 991912.)

10/6/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst, David Anderson, Director, S.F Zoo, Supervisor Yee. Opposed: David Frost; Emery Kalman

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991537 **[Appropriation, S.F. Unified School District]**

Ordinance appropriating $60,713,766, San Francisco Unified School District, of school Bond proceeds for capital improvement projects on various school facilities, cost of issuance, and other related costs for fiscal year 1999-2000. (Controller)

8/4/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

9/15/99, CONTINUED. Heard in Committee. Speakers: Harvey Rose, Budget Analyst, Tim Tronson, S.F. Unified School District, Supervisor Yee; Supervisor Ammiano; Laura, Opshal, Mayor's Office, Ed Harrington, Controller. Continued to September 29, 1999

9/29/99, CONTINUED TO CALL OF THE CHAIR

Continued to November 3, 1999

CONTINUED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991870 **[Approving a license permitting the FBI to continue to rent space in the Central Radio Station for operation of communication equipment]**

Resolution authorizing and approving a telecommunications license renewal for a one rack transmitter at the Central Radio Station and monopole antennae space at Christmas Tree Point with the United States Department of Justice. (Real Estate Department)

9/30/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Tony DeLucchi, Real Estate Department.

RECOMMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991881 [Public Financing of Candidate Campaigns and Other Campaign Reform Measures]

Supervisors Ammiano, Bierman

Resolution urging the San Francisco Ethics Commission to study and hold public hearings on public financing of candidate campaigns for local elective office and other measures designed to curb the influence of special-interest contributions on public policy and administration; to consider specific components of a public financing measure; to consider other campaign finance reforms designed to reduce the influence of campaign contributions on the design and/or award of public contracts; to consider expanded disclosure requirements for candidate, independent expenditure, and non-candidate controlled committees; to submit such proposed campaign reform measures as it deems necessary to the voters for their consideration at the March 2000 primary election; and to study and recommend to the Board of Supervisors methods by which the City and County can provide candidates for public office with cost-effective, direct access to voters.

10/4/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Heard in Committee. Speakers: Supervisor Ammiano; Harvey Rose, Budget Analyst; Ginny Vida, Executive Director, Ethics Commission. In Support: Charles Marsteller, S.F. Common Cause; Holly Thier, League of Women Voters.

RECOMMENDED by tbe following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991973 [Mortgage Credit Certificate Program Allocation Not to Exceed $20,000,000]

Supervisor Brown

Resolution authorizing an application to the California Debt Limit Allocation Committee to permit the issuance of mortgage credit certificates.

10/18/99, RECEIVED AND ASSIGNED to Finance and Labor Committee. With request it be considered at the October 27, 1999 meeting.

Heard in Committee. Speakers: Harvey Rose, Budget Analyst; Maggie Davis-Badger, Mayor's Office of Housing. Amended on page 2, line 8 to substitute "90,657,075" for "$71,927,430". Same title.

AMENDED.

RECOMMENDED AS AMENDED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

991941 [Fire Department Overtime Expenditures]

Supervisor Yee

Hearing to consider the Fire Department overtime expenditures.

10/12/99, RECEIVED AND ASSIGNED to Finance and Labor Committee.

Continued to November 10, 1999.

CONTINUED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

990652 [Paramedic Services]

Supervisors Yee, Newsom

Hearing to consider the cost of transferring paramedic services from the Health Department to the Fire Department.

4/5/99, RECEIVED AND ASSIGNED to Finance and Labor Committee

10/6/99, CONTINUED TO CALL OF THE CHAIR.

Continued to November 10, 1999

CONTINUED by the following vote:

Ayes: 2 - Yee, Ammiano
Absent: 1 - Bierman

ADJOURNMENT

The meeting adjourned at 10:44 p.m

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST
1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642
FAX (415) 252-0461

October 22, 1999

TO: Finance and Labor Committee

FROM: Budget Analyst

SUBJECT: October 27, 1999 Finance and Labor Committee Meeting

Items 1 and 2 – Files 99-1912 and 99-1913

Departments: Department of Public Works (DPW)
Recreation and Parks (Rec/Park)
San Francisco Zoological Society (SFZS)

Items: File No. 99-1912
Ordinance appropriating $16,898,894 of Zoo Facilities Bond proceeds for capital improvements, repair and replacement projects, and bond issuance costs associated with the Zoo Master Plan Phase II.

File No. 99-1913
Ordinance authorizing the Director of Public Works to contract with the San Francisco Zoological Society in the amount of $913,500 of the $16,898,894 supplemental appropriation request (File No. 99-1912) for 1) 12 Zoo maintenance positions, including eight new positions (6.5 FTEs) and four existing positions (2.0 FTEs) or a total of 8.5 FTEs ($450,000), 2) materials and supplies ($450,000), and 3) fees and permits ($13,500), to perform all necessary construction work related to the "Repair and Replacement" project, in connection with the San Francisco Zoo Phase II Master Plan. The 12 positions would perform such "Repair and Replacement" work under the Zoo's Maintenance Department instead of a

construction contract being awarded under a competitive bid. Attachment I, provided by the Zoo, shows the classifications of the four existing and eight new positions (total of 8.5 FTEs) and the annual salaries and fringe benefit costs to perform the "Repair and Replacement" work. The total salary cost of these positions for the period of December 1999 through December 2000, under this request is $450,000. Attachments II and III are memoranda from the Director of Public Works and the Zoo Director respectively, explaining the rationale for having Zoo employees perform the "Repair and Replacement Work" rather than awarding such work through a competitive bid to a construction contractor. As stated by the Zoo Director in Attachment III, the new maintenance positions would become permanent positions in the Zoological Society's Maintenance Department to provide ongoing general support and maintenance upon completion of Phase II Bond revenues, at which time the positions would be funded by Zoological Society revenues.

Approximately $107,316 of the proposed $450,000 in bond fund monies being requested for Zoo maintenance staff would be allocated for paying existing Zoo staff salaries and fringe benefits. The $107,316 in salary and fringe benefit costs are now being paid with Zoological Society revenues, according to Mr. John Mann, Deputy Director of the San Francisco Zoological Society.

The Management Agreement provides that the City pay the Zoological Society a management fee of $4,000,500, annually. The amount is adjusted on a predetermined formula every five years when the Management Agreement is extended. Such funding is to be used for Zoo expenses and cannot be reduced by the City, under the Management Agreement. Therefore, the Zoological Society would reallocate the $107,316 for other expenditures since the cost of the existing positions would now be picked up by the proposed Bond Funds.

Amount: $16,898,894

Source of Funds: 1997 Zoo Facilities Bonds, Series 1999C.

Rev sed"

Description: File No. 99-1912

According to Mr. John Mann, Deputy Director of the San Francisco Zoological Society, Phase I of the San Francisco Zoo Master Plan consisted of capital improvement projects in the total amount of $6,803,246, all of which have been completed. Mr. Mann states the Phase I capital improvement projects were entirely funded through private donations raised by the Zoological Society. Attachment IV, provided by the Zoo, contains a description and actual cost of the projects completed under Phase I of the Zoo Master Plan.

In June of 1997, the City's electorate approved Proposition C, which provided that the City would incur a total of $48 million in General Obligation Bonded indebtedness for the acquisition, construction, and/or reconstruction of the San Francisco Zoo facilities and properties. In turn, the San Francisco Zoological Society pledged to raise a minimum of $25 million in private donations, bringing the total to a minimum of $73 million to renovate the Zoo. The $73 million minimum in funding, known as Phase II of the San Francisco Zoo Master Plan, is to be used to renovate and develop the western portion of the Zoo and includes various new exhibit areas, improvements and expansion of the Children's Zoo, improvements to other existing exhibits, and the construction of a new entryway, parking lot, and support buildings. Attachment V, provided by the Zoo, contains: a) summary project descriptions, b) total estimated costs, c) funding sources, d) amounts expended to date, e) the dates when work commenced, f) the estimated completion dates, and g) the current status of each individual Phase II capital improvement project. No expenditures have been obligated from the requested $16,898,894, according to Mr. Mann. Attachment V contains a budget of $76,390,000, which is $3,390,000 in excess of the $73,000,000 minimum funding to be expended in Phase II. The Zoological Society intends to raise an additional $3,390,000, or a total of $28,390,000 in private donations, to enhance Phase II capital projects.

In June of 1999, the Board of Supervisors authorized the first sale of the $48 million 1997 Zoo Facilities Bonds, Series 1999C, in the amount of $16,845,000 to fund a

portion of Phase II of the Zoo Master Plan. This proposed ordinance would appropriate $16,898,894, which, according to Ms. Laura Bordelon of the Mayor's Office of Public Finance, is the total amount of the proceeds from the first bond sale of the 1997 Zoo Facilities Bonds, Series 1999C. This supplemental appropriation is to request those proceeds for the purpose of constructing this first increment of capital improvement projects under Phase II of the Zoo Master Plan using City bond fund monies,[1] and for funding the bond issuance costs.

A summary budget of this request for funds in the amount of $16,898,894 is shown in the following table:

Summary Appropriation Request by Capital Project

Project Description	Design	Fees & Permits	Constr. Mgmt.	Construction	Other	Bond Issuance	Program Mgmt.	Total
Education Facility	246,741	34,155	160,301	2,277,000			50,000	$2,768,197
Animal Resource Center	3,971	31,122	171,781	2,074,800			41,971	2,323,645
Zoo Support Facilities	270,107	38,025	169,301	2,535,000			55,413	3,067,846
Administration Facilities	116,996	14,250	85,891	950,000			21,469	1,188,606
Children's Zoo 1	3,971	29,955	209,735	1,997,000			41,216	2,281,877
Quarantine & Holding	3,971	32,670	179,293	2,178,000			44,036	2,437,970
Public Art Program	116,699			462,501	220,800			800,000
Repair & Replacement	0	13,500		900,000			16,804	930,304
Entry & Zoo Street I	7,942			940,000			17,437	965,379
Madagascar	7,942						146	8,088
Africa!	7,942						146	8,088
Bond Account						53,471		53,471
City Attorney						30,000		30,000
Public Finance						16,700		16,700
Controller						5,000		5,000
Other Costs of Issuance						13,723		13,723
Total	786,282	193,677	976,302	14,314,301	220,800	118,894	288,637	16,898,894

The supporting documentation to the proposed ordinance in the Board of Supervisors file contains a description and a budget for each of the capital improvement projects that would be funded by this proposed $16,898,894 supplemental appropriation.

[1] As shown in Attachment V, the Zoological Society has initiated several of the Phase II projects using donated funds.

Description: File No. 99-1912

According to Mr. John Mann, Deputy Director of the San Francisco Zoological Society, Phase I of the San Francisco Zoo Master Plan consisted of capital improvement projects in the total amount of $6,803,246, all of which have been completed. Mr. Mann states the Phase I capital improvement projects were entirely funded through private donations raised by the Zoological Society. Attachment IV, provided by the Zoo, contains a description and actual cost of the projects completed under Phase I of the Zoo Master Plan.

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In June of 1999, the Board of Supervisors authorized the first sale of the $48 million 1997 Zoo Facilities Bonds, Series 1999C, in the amount of $16,845,000 to fund a

portion of Phase II of the Zoo Master Plan. This proposed ordinance would appropriate $16,898,894, which, according to Ms. Laura Opsahl-Bordelon of the Mayor's Office of Public Finance and Economic Development, is the total amount of the proceeds from the first bond sale of the 1997 Zoo Facilities Bonds, Series 1999C. This supplemental appropriation is to request those proceeds for the purpose of constructing this first increment of capital improvement projects under Phase II of the Zoo Master Plan using City bond fund monies,[1] and for funding the bond issuance costs.

A summary budget of this request for funds in the amount of $16,898,894 is shown in the following table:

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Madagascar	7,942						146	8,088
Africa!	7,942						146	8,088
Bond Account						33,300		33,300
City Attorney						30,000		30,000
Public Finance						16,700		16,700
Controller						5,000		5,000
Other Costs						33,894		33,894
Total	786,282	193,677	976,302	14,314,301	220,800	118,894	288,637	16,898,894

The supporting documentation to the proposed ordinance in the Board of Supervisors file contains a description and a budget for each of the capital improvement projects that would be funded by this proposed $16,898,894 supplemental appropriation.

[1] As shown in Attachment V, the Zoological Society has initiated several of the Phase II projects using donated funds.

Regarding the anticipated $25 million in private donations to be raised by the Zoological Society by December 31, 2000, to fund a portion of the $73 million minimum in Phase II costs, based on documentation provided by the Zoo, as of June 30, 1999, the Zoological Society had received actual donations of $9,380,309, and had received written pledges for donations totaling $4,794,102, or a total of $14,174,411, out of the of the $25 million in donations the Zoological Society has committed to raise. Attachment VI is a statement from the Zoo Director reporting that the Zoological Society, as of October 20, 1999, has received a total of $18,286,327 in Phase II cash and pledged donations and that the Zoological Society expects to raise the balance of the entire $25 million, in cash and pledges, by December 31, 2000. The Zoological Society expects to raise any additional Phase II funds, including the $3,390,000 previously cited, prior to the completion of Phase II, currently scheduled for December 31, 2004.

File No. 99-1913

Section 2 of the proposed ordinance provides that the Board of Supervisors:

"A) Waives the competitive bidding and public contracting requirements of the Administrative Code Section 6.05-6.07, 6.09, and 6.1 for the purposes stated herein; and

B) Authorizes the San Francisco Zoo, Department of Public Works, and Recreation and Parks Department to expend Zoo Bond Funds for the Repair and Replacement Work described herein and in the accompanying supplemental funding request; and

C) Authorizes the Director of Public Works ("Director") pursuant to Administrative Code Section 2A.190, to contract with the San Francisco Zoological Society, without advertising for competitive, bids, said contract not to exceed $913,500."

Comments: File No. 99-1912

1. The Budget Analyst has completed a performance audit of the San Francisco Zoological Gardens and is currently finalizing the audit report, which is expected to be transmitted to the Board of Supervisors in November of 1999. The Budget Analyst's report will contain recommendations pertaining to Zoo capital projects.

2. Section 3.18 of the Administrative Code provides that public buildings, aboveground structures, parks, and transportation improvement projects, include two percent of the gross estimated construction cost for art enrichment. However, Section 3.18 also provides that the if the officer, board, or commission concerned determines that two percent of the gross estimated construction cost is inappropriate for art enrichment, such officer, board, or commission shall submit its recommendation regarding the art enrichment budget and the basis for its determination to the Arts Commission for the Arts Commission's review. The $800,000 request for the City's Public Art Program included in the proposed supplemental appropriation is based on two percent of a $40 million construction base within the $73 million overall project for all of Phase II.

3. During the course of the performance audit at the San Francisco Zoological Gardens, the Budget Analyst has discussed with Zoo management the appropriateness of submitting a request to the Art Commission to limit the amount designated for art enrichment to 1.5 percent of the construction base instead of two percent, or a total of $600,000 instead of $800,000, based on the discretionary authority contained in the Administrative Code. The rationale for this request is that, according to Mr. Mann, the existing construction budget is very tight and does not provide replacement exhibits for some species, including the northern bears and the sea lions, which are now exhibited in substandard exhibits and quarters. Therefore, the Budget Analyst is recommending that $200,000 be placed on reserve pending a final determination by the

Zoo Director of the amount to be allocated for art enrichment.

4. The subject supplemental appropriation request of $16,898,894, as shown in Exhibit I above, includes the combined sum of $1,264,939 for Construction Management ($976,302) and for Program Management ($288,637). The San Francisco Zoo Bond Program Report of December 1, 1996, limits such costs to 10 percent of the total amount allocated to the construction estimate, including costs for Fees & Permits. The combined sum of $1,264,939 for Construction Management and Program Management is approximately 8.7 percent of the construction estimate of $14,507,978, which includes $14,314,301 for Construction costs and $193,677 for Fees & Permits. The Budget Analyst recommends that an annual report be submitted to the Board of Supervisors regarding such funds.

5. Regarding the use of Zoo staff to perform the "Repair and Replacement" work, the Director of Public Works has stated in his memorandum in Attachment II that "The alternative of putting the contract out to bid may result in a lower price but it will not guarantee the safety of the Zoo animals." The Director of Public Works further states that "In the current bidding climate, it is likely that it is less expensive to use Zoological Society staff to perform this work."

Recommendations:

1. Amend the proposed supplemental appropriation ordinance (File 99-1912) by reserving $200,000, in accordance with Comment No. 3, and approve the ordinance as amended.

2. Request that the Zoological Society provide the Board of Supervisors with an annual report on the expenditure of Construction Management and Program Management funds, commencing in December of 2000, in accordance with Comment No. 4 above.

3. Approve the proposed ordinance (File 99-1913).

San Francisco Zoological Society
Staffing Plan for Repair and Replacement Projects

Classification	Staff E	Staff N	Staff T	Status	Annual Base	Benefits	Total	Status / Hire Date	Project Hours Existing	Project Hours New	Project Hours Total	Total Project Salary
Maintenance Supervisor	1			Existing	$57,700	$15,002	$72,702	Part time to Dec 2000	1,040			$33,351
		1		New	$60,000	$15,600	$75,600	July to Dec 2000		1,040		$37,800
Subtotal			2								2,080	$74,151
Maintenance Engineer 3	1			Existing	$25,331	$8,947	$34,278	Part time to Dec 2000	1,120			$13,457
		1		New	$25,331	$8,947	$34,278	Jan to Dec 2000		2,080		$34,278
Subtotal			2								3,200	$52,735
Maintenance Engineer 2	1			Existing	$36,895	$9,583	$48,488	Part Time to Dec 2000	1,009			$22,561
		1		New	$36,863	$9,584	$48,488	Jan to Dec 2000		2,080		$45,488
		1		New	$38,863	$9,584	$48,488	Jan to Dec 2000		2,080		$45,488
		1		New	$38,863	$9,584	$48,488	July to Dec 2000		1,040		$23,244
Subtotal			4								6,209	$138,771
Maintenance Engineer 1	1			Existing	$49,012	$12,743	$61,755	Part Time to Dec 2000	1,009			$29,957
		1		New	$49,012	$12,743	$61,755	Jan to Dec 2000		2,080		$61,755
		1		New	$49,012	$12,743	$61,755	Jan to Dec 2000		2,080		$61,755
		1		New	$49,012	$12,743	$61,755	July to Dec 2000		1,040		$30,878
												$184,345
Subtotal			4								6,209	
	4	8	12						4,178	13,520	17,698	
												$450,002

OCT 22 '99 10:14 STANTON JONES 415 3991064 PAGE 1/1

City and County of San Francisco

Willie Lewis Brown, Jr., Mayor
Mark A. Primeau, Architect, AIA, Director

(415) 554-6920
FAX (415) 554-6944
http://www.sfdpw.com

Department of Public Works
Office of the Director
City Hall, Room 348
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4645

MEMORANDUM

TO: Finance and Labor Committee Members

FROM: Mark A. Primeau AIA, Director of Public Works

DATE: October 6, 1999

RE: File 991913 - Ordinance authorizing the Director of Public Works to use Zoological Society staff to perform construction work without competitive bid.

Recommended Action

Approve the proposed ordinance as a companion ordinance to the $16,898,894 supplemental appropriation request currently before the Board of Supervisors.

Background

The Department of Public Works (DPW) is requesting an appropriation of $16,898,894 in General Obligation bonds approved by the voters in 1997 for various improvements to the Zoo facilities. Of that appropriation, DPW is requesting that $913,500 be allocated on a sole source basis to the Zoological Society to make repairs to zoo exhibits.

Analysis/Reasoning for Recommendation

Our goal is to minimize disruption and adverse affects on zoo animals during construction. The Zoological Society staff is uniquely qualified to perform work in Zoo exhibits. Because the Zoological Society is not a City agency, DPW needs to receive authorization from the Board of Supervisors to use the Zoological Society to perform this work through an ordinance. The alternative of putting the contract out to bid may result in a lower price[1] but it will not guarantee the safety of the zoo animals.

Fiscal Implications

We are requesting $913,500 from the companion supplemental appropriation to fund this work. As previously noted, it may cost less to put the contract out to bid, but it is unlikely in the current bidding climate. It may also cost more overall

[1] In the current bidding climate, it is likely that it is less expensive to use Zoological Society staff to perform this work.

because we would need to oversee the construction to ensure work was accomplished as outlined in the specifications.

SAN FRANCISCO ZOO

20 October 1999

Stanton W. Jones
Budget Analyst Office
Board of Supervisors
1390 Market Street, Suite 1025
San Francisco, CA 94102

Dear Stan:

The San Francisco Zoological Society requests that the City of San Francisco Board of Supervisors Finance and Labor Committee, approve the proposed ordinance (file 991913) as a companion ordinance to the supplemental appropriation request of $16,898,894 currently before the Board of Supervisors. This ordinance will allow the San Francisco Department of Public Works (DPW) to appropriate $913,500 of the $16,898,894 General Obligation Bonds to be allocated on a sole source basis to the San Francisco Zoological Society. These funds will be used for labor and materials for various repairs and renovations to existing exhibits. Projects funded by these funds are reviewed and approved by the Department of Recreation and Park.

Our goal is to minimize disruption and adverse effects on Zoo animals during construction. The Zoological Society staff is uniquely qualified in that regard as well as specifically trained to perform work on Zoo exhibits. Because the Zoological Society is not a City agency, DPW needs to receive authorization from the Board of Supervisors to use Zoological Society staff to perform this work through an ordinance.

The Zoological Society will hire additional Maintenance Staff to facilitate these projects. Upon completion these staff will be absorbed into the Zoological Society's Maintenance Department to provide ongoing general support and maintenance for Zoo grounds and facilities.

Thank you for your time and consideration of our request.

Sincerely,

David E. Anderson
Zoo Director

The San Francisco Zoological Society
1 Zoo Road
San Francisco, CA 94132-1098

San Francisco Zoological Society
Capital Expenditures - Founder's Fund/Zoo 2000
April 23, 1999

Project Description	Account Number	Total Amount	Fiscal Year 6/30/92	Fiscal Year 6/30/93	Fiscal Year 6/30/94	Fiscal Year 6/30/95	Fiscal Year 6/30/96	Fiscal Year 6/30/97	Fiscal Year 6/30/98	Fiscal Year 3/31/99
Capital Campaign	30-11-2001-0000	$ 574,349	$ 80,584	$ 67,375	$ 10,910	$ 292,213	$ 123,267			
Research & Enrichment (Animal)	30-11-2011-0000	106,518	34,590	47,307	26,802	(2,181)	-			
Zoo 2000 - Professional Fees	30-11-2010-6501	64,286	2,898	1,643	58,391	-	1,354			
Zoo 2000 - Architectural Services	30-11-2010-6531	25,306	17,248	3,294	4,400	364				
Zoo 2000 - Graphics/Interpretive	30-11-2010-6532	24,520		5,022	14,559	4,139	-			
Zoo 2000 - Owner/Direct Prof Svc	30-11-2010-6533	13,404		7,725	-	-	5,679			
Zoo 2000 - Meeting Expense	30-11-2010-6610	28,583	(150)	42	28,691	-	-			
Zoo 2000 - Other Expense	30-11-2010-6901	626,087	8,870	5,611	4,192	88,082	151,709	149,589	218,034	
Penguin Pool Project	30-11-2010-7002	1,188		465	-	723	-			
Giraffe Exhibit	30-11-2010-7003	1,297		.	1,297	-	-			
Snow Leopard Project	30-11-2010-7004	7,811		.	5,014	2,797	-			
Avian Conservation (SFZS portion)	30-11-2010-7005	40,257		.	-	15,900	19,565	4,792		
Triple Grotto	30-11-2010-7006	116,739		103,923	12,816	-	-			
Visitor Services Renovation	30-11-2010-7007	100,019		30,672	54,305	15,015	27			
Flamingo Pool	30-11-2010-7008	52,269		13,666	3,901	34,234	468			
Monkey Island	30-11-2010-7009	32,407		14,105	-	-	18,222			
Service & Support Renovation	30-11-2010-7010	125,581		8,424	50,377	39,293	6,529	20,958		
Otter Pool	30-11-2010-7011	234,736		.	249,621	(14,885)	-	-		
Carousel Renovations	30-11-2010-7012	17,430		.	17,112	-	-	318		
Amenities	30-11-2010-7013	69,609		.	19,244	50,365	-	-		
Improvements	30-11-2010-7014	131,495		.	18,175	9,260	66,245	37,815		
Renovations	30-11-2010-7015	30,554		.	10,359	-	9,685	10,510		
Warthog Exhibit	30-11-2010-7016	105,481		.	-	-	105,481	-		
Children's Zoo Entrance	30-11-2010-7017	146,444		.	.	-	45,172	101,272		
Asian Elephant Renovation	30-11-2010-7018	113,150		.	.	-	42,250	70,900		
Mother's Building	30-11-2010-7019	27,593		.	.	-	9,618	17,975		
Feline Conservation Center	30-11-2012-0000	2,064,142		8,851	1,303,589	746,210	9,951	141	(4,600)	
South America Gateway	30-11-2013-0000	858,947		.	145,266	605,394	108,287	.		
Orangutan Forest	30-11-2014-0000	12,624		.	.	3,126	9,498			
Entrance Improvement	30-11-2016-0000	13,668		.	.	13,668	-			
Lion Cubs Exhibit	30-11-2017-0000	417			.	-	417			
LGFP&R Improvements	30-11-2018-0000	17,890			.	416	8,438	9,016		
Demolition Cat Cages/Monkey Is	30-11-2020-0000	171,510			.	7,212	164,298			
Australian WalkAbout	30-11-2021-0000	561,991				552,624	9,367			
Aviary-White Alligator	30-11-2022-0000	162,198				.	157,464	4,734		
Support Facilities	30-11-2023-0000	107,534				12,379	95,155			
Elephant Statue	30-11-3090-7003	1,515							1,515	
Mountain Lion Statue	30-11-3090-7004	3,515							3,515	
Playfield - "Friend"	30-11-3090-7005	7,302							6,802	500
Total Capital Expenditures		$ 6,003,246	$ 144,040	$ 319,005	$ 2,039,021	$ 2,476,348	$ 1,168,146	$ 428,040	$ 228,066	$ 500

Wayne [illegible]
Finance Director 4/23/99

San Francisco Zoo
Phase II Master Plan Budget

Description	Construction	Non-Construction	Total Cost	Bond Funds	SFZS Funds	Start Date	Finish Date	Current Status	Expended to date
A1 and Special Exhibits	$1,782,624	$67,376	$1,850,000	$0	$1,850,000	1/1/98	5/1/00	Design/Const	$1,469,516
Facilities Consolidation	$8,104,241	$2,475,759	$10,580,000	$9,630,000	$950,000	6/1/00	3/1/01	Design/Const	$548,873
Entry & Zoo Street	$10,100,317	$3,079,683	$13,180,000	$10,550,000	$2,620,000	7/1/00	3/1/01	Design	$264,356
Madagascar	$2,922,000	$948,000	$3,870,000	$3,050,000	$820,000	10/1/00	11/1/01	Design	$0
Children's Zoo	$1,996,623	$653,377	$2,650,000	$2,090,000	$560,000	10/1/00	10/1/01	Design	$0
Africa	$6,940,000	$2,260,000	$9,200,000	$7,260,000	$1,950,000	2/1/01	6/1/02	Design	$71,401
Great Ape Forest	$6,182,370	$2,007,630	$8,190,000	$6,460,000	$1,740,000	2/1/01	6/1/02	Design	$0
Quarantine & Holding	$2,561,205	$828,795	$3,390,000	$2,670,000	$720,000	8/1/00	7/1/01	Design	$0
Zoo Street 2	$856,368	$263,632	$1,120,000	$890,000	$220,000	6/1/01	6/1/02	Design	$0
Savanna B & Grand Panorar	$6,209,808	$2,020,192	$8,230,000	$2,080,000	$6,150,000	1/1/02	4/1/03	Design	$0
South American Gateway	$509,444	$170,556	$680,000	$0	$680,000	11/1/02	3/1/04	Design	$0
Children's Zoo 2	$395,000	$125,000	$520,000	$0	$520,000	7/1/03	5/1/04	Design	$0
Subtotal	$48,560,000	$14,900,000	$63,460,000	$44,680,000	$18,780,000				
Public Art	$650,000	$150,000	$800,000	$800,000	$0	7/1/99	5/1/04		
Repair and Replacement	$2,805,701	$4,299	$2,810,000	$340,000	$2,470,000	10/1/99	1/1/01	Construction	$1,568,615
Completed Projects	$498,446		$500,000		$500,000				
Other Expenses	$5,534,761		$5,530,000	$750,000	$4,780,000				$4,264,436
Program Reserve			$3,290,000	$1,430,000	$1,860,000				$0
Total	$58,048,908	$15,054,299	$76,390,000	$48,000,000	$28,390,000				$8,187,197

SAN FRANCISCO ZOO

20 October 1999

Stanton W. Jones
Budget Analyst Office
Board of Supervisors
1390 Market Street, Suite 1025
San Francisco, CA 94102

Dear Stan:

The San Francisco Zoological Society agreed in the Lease and Management Agreement to "use its reasonable efforts to initiate and complete a fundraising campaign in a minimum amount of $25,000,000 to finance the construction of capital improvements at the Zoo." The Capital Campaign was initiated in January, 1997 and received a boost in June, 1997 with the successful Zoo Bond campaign. The Capital Campaign is intended to complement the funds provided by the Zoo Bond. The public phase of the campaign was initiated in May, 1999. To date, the Zoological Society has raised cash and pledges of $18,286,327, about 73% of the goal. The scheduled date for completing the $25,000,000 campaign is December 31, 2000, and we anticipate reaching the goal within that timeframe.

Sincerely,

David E. Anderson
Zoo Director

The San Francisco Zoological Society
1 Zoo Road
San Francisco, CA 94132-1098
(415) 753-7080

Item 3 – File 99-1537

Note: This item was continued by the Finance and Labor Committee at its meetings of September 15, 1999, and September 29, 1999.

Department: San Francisco Unified School District (SFUSD)

Item: Ordinance appropriating $60,713,766 of General Obligation Bonds (Educational Facility Bonds, 1997A – SFUSD) Series 1999B proceeds for Phase I capital improvement projects on various school facilities, cost of issuance, and debt service, for the San Francisco Unified School District for fiscal year 1999-2000.

Amount: $60,713,766

Source of Funds: General Obligation Bonds (Educational Facility Bonds, 1997A – SFUSD) Series 1999B, hereafter referred to as "Educational Facility Bonds, Series 1999B".

Description: On June 3, 1997, a total of $90,000,000 in General Obligation Bonds for the construction and upgrading of SFUSD educational facilities was approved by the electorate. Educational Facility Bonds, Series 1999B were issued on June 16, 1999 for the construction and/or reconstruction of educational facilities for the SFUSD. According to Ms. Laura Opsahl-Bordelon of the Mayor's Office of Public Finance and Economic Development, the total Bond proceeds for Educational Facility Bonds, Series 1999B are in the amount of $60,713,766.

The subject supplemental appropriation would appropriate the $60,713,766 in Bond proceeds for the following: (a) $60,287,090 for Phase I capital improvement projects on various SFUSD school facilities, (b) $235,050 for bond issuance costs, and (c) $191,626 for debt service costs (accrued interest payments and a portion of the underwriter's premium).

SFUSD expenditure data previously provided to the Budget Analyst showed that the SFUSD expended $37,818,784 for Phase I capital improvement projects without appropriation approval from the Board of Supervisors. As explained in Comment No. 3, revised

data submitted by the SFUSD now shows that a total of $36,481,103 has been expended, including (a) $23,152,192 for Phase I capital improvement projects, (b) $7,456,497 for Phase II capital improvement projects, and (c) $5,872,414 for additional projects.

Budget: The budget for Phase I capital improvement projects is summarized as follows:

	Incurred as of 10/19/99	Not Yet Expended	Total Estimated Costs
Phase I Capital Improvement Projects (as detailed in Section B of Attachment I)	$23,152,192	$37,134,898	$60,287,090
Bond Issuance Costs	0	235,050	235,050
Debt Service	0	191,626	191,626
TOTAL	$23,152,192	$37,561,574	$60,713,766

Section B of Attachment I, provided by the SFUSD, contains a project budget for projects totaling $60,287,090 for Phase I of the SFUSD's capital improvement program which would be funded by the Educational Facility Bonds, Series 1999B in FY 1999-2000.

Section A of Attachment I also contains the proposed projects totaling $29,712,910 for Phase II of the SFUSD's capital improvements program. Together, Phases I and II account for the total SFUSD capital improvement program cost of $90,000,000. According to Mr. Tim Tronson of the SFUSD, the SFUSD will seek a second bond issuance to fund Phase II. He advises that the SFUSD anticipates, based on current project scheduling and subject to Board of Supervisors approval, that the second bond issuance will occur within the next 12-18 months.

Comments:

1. In November 1997, the Board of Supervisors authorized and directed the sale of General Obligation Bonds (Educational Facility Bonds, 1997 – SFUSD) Series 1998C not to exceed $47,000,000 (Resolution No. 149-98). The issuance of General Obligation Bonds (Educational Facility Bonds, 1997 – SFUSD) Series 1998C was delayed due to litigation related to Proposition D which had been placed on the same June 3, 1997 ballot to authorize the City to issue Football Stadium Bonds to finance a portion of a new stadium development project at Candlestick Point. This litigation delayed bond counsel issuing a final opinion on the validity of the SFUSD bonds. Consequently, the SFUSD requested that additional Bond funds be issued to cover project costs for an additional year. On March 1, 1999 the Board of Supervisors authorized and directed the sale of Educational Facility Bonds, Series 1999B, not to exceed $64,000,000 (File 99-0200), thereby replacing the previous authorization of $47,000,000. This represented an increase of $17,000,000, or approximately 36 percent.

Educational Facility Bonds, Series 1999B were issued on June 16, 1999 (File 99-1154). According to Ms. Opsahl-Bordelon, the total Bond proceeds for Educational Facility Bonds, Series 1999B are in the amount of $60,713,766.

2. In July of 1998, the SFUSD submitted to the Finance Committee of the Board of Supervisors a budget breakdown of the proposed $60,287,090 Phase I capital improvements program to be funded by the subject Educational Facility Bonds, Series 1999B. Although the total budget of $60,287,090 remains unchanged, between July 1998 and October 1999 there have been various shifts in the allocation of funds between component capital improvement projects.

In response to the request by the Finance and labor Committee, at its meeting of September 15, 1999, the SFUSD has prepared its first report, to be issued quarterly, pertaining to the bond expenditures. This report was prepared by the SFUSD after conferring with the Mayor's Office of Finance, the Controller's Office and the Office of the Budget Analyst. The SFUSD will update this report, on a quarterly basis, to provide a review of

actual SFUSD spending and projected capital improvement project costs in order to determine the extent to which bond funds have been expended for the purposes originally identified for the issuance of the bonds.

Attachment I contains (a) an explanatory cover memorandum from the SFUSD, (b) a summary of total project expenditures (Section A), and (c) a report on expenditures against the first bond issuance of $60,287,090 (Section B).

3. As shown in Sections A and B of the SFUSD report in Attachment I, the SFUSD has already incurred Phase I capital improvement project expenditures of $23,152,192, or approximately 38 percent, of the subject $60,287,090 prior to obtaining Board of Supervisors approval. In addition, as shown in Section A of the report in Attachment I, the SFUSD has already expended (a) $7,456,497 on preliminary Phase II design and architecture fees against the proposed second bond issuance of $29,712,910, and (b) $5,872,414 on additional projects. As explained in the SFUSD cover memo in Attachment I, the SFUSD has authorized these expenditures to leverage State grants in the total amount of $46,980,924 for capital improvements. This has resulted in some of the projects which were originally to be funded by Educational Facility Bonds, Series 1999B funds being funded instead by State grants, thereby releasing Educational Facility Bonds, Series 1999B funds for projects not proposed in the SFUSD's original program. Therefore, the SFUSD intends to complete all projects originally specified for Phases I and II, plus expend an additional $46,980,924 in State funds for other capital improvements, as shown in Attachment I, Section A.

The SFUSD's capital improvement project expenditures to date, total $36,481,103 ($23,152,192 + $7,456,497 + $5,872,414), or approximately 40.5 percent of the total $90,000,000 proposed for Phases I and II of the SFUSD's capital improvements program.

4. Attachment II is a memorandum from Mr. Tronson which further explains why the SFUSD has expended bond funds prior to obtaining appropriation approval from the Board of Supervisors.

Recommendation: Because capital improvement expenditures of $36,481,103, or approximately 40.5 percent, of the $90,000,000 proposal for Phases I and II of the SFUSD's capital improvement program have already been incurred by the SFUSD prior to obtaining appropriation approval from the Board of Supervisors, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MEMORANDUM

DATE: October 19, 1999

TO: Linda Davis, Interim Superintendent
Enrique Navas, Chief Financial Officer

FROM: Tim Trouson, Executive Director, Facilities Management and Development
Rafael Parra, Director of Design and Construction

SUBJECT: 1997 Proposition A Quarterly Report

This is in response to your request for a Quarterly Report on 1997 Proposition A expenditures. Attached you will find a report which has been organized to comply with this request, in accordance with the criteria specified:

1) Name of school (under the heading 'School')
2) List of Projects to be completed at each School Site (under the heading 'Description')
3) Phase I Original Budget Amount (under the heading 'Original Budget Amount')
4) Actual Expenditure to Date (under the heading 'Total Expenditure To Date')
5) Projected Remaining Expenditure (under the heading 'Projected Remaining Expenditure')
6) Total Project Expenditure (under the heading 'Revised Project Budget')

Please note that the attached Quarterly Report utilizes the preliminary fund allocation ('Original Budget Amount') for each project category identified in the 1997 Proposition A Program.

Cost Variances

The San Francisco Unified School District total facility needs are currently estimated at $1.1 billion, of which the District has approximately $190 million in available funds, with the remaining unfunded need at approximately $910 million. **The 1997 Proposition A is one of five funding sources that provides over $90 million to pay for new school construction, children's center renovations, seismic upgrades,** technology upgrades, and science lab improvements. Due to the $910 million unfunded need, the School District is engaged in a continual effort to secure local, state and federal funds for the purpose of making school facility improvements. Cost variances in the current Prop A program are primarily the result of very rough cost estimates used for planning purposes only (i.e. see

'Original Budget Amount'); these estimates are vastly different from the final detailed cost estimates which are provided by Architects and Engineers (i.e. see 'Revised Project Budget'). Other cost variances are the result of completed projects fully or partially funded by the State Leroy Greene program (see footnote #1 – completed/State Funds); projects that will be funded by the State program (see footnote #2 – Prop A/State Funds); projects that have been completed using other District funds (see footnote #3 – Completed/District Funds); projects that have been combined with other Proposition A projects (see footnote #4 – Combined Prop A Projects); and finally, projects that were deleted from the program because the school site was changed to a leased site (see footnote #5 – Non School Site).

In general, with regard to cost variances between the Original Budget Amount and the Revised Budget Amount, any money made available by projects with positive cost variances (see report heading 'Program Budget Balance') are first diverted to: 1) Prop A projects with negative cost variances; 2) secondly, school construction projects requiring additional funding (i.e. see projects listed in the section 'Additional Proposition A Projects').

<u>Leroy Green Leveraged Funds</u>

Please note that this report shows 17 schools that are currently programmed to receive leveraged funds from the State's Leroy Green facility improvement program (see report heading 'Leverage/State Grant') as a result of expenditures from 1997 Prop A. We estimate that the District will be eligible to receive an additional $47 million dollars in Leroy Green funds as a result of our current 1997 Prop A program. Once again, any positive cost variances resulting from additional state funds will be diverted to projects with negative cost variances and/or to additional Prop A school improvement projects not included in the original bond proposal.

In addition, we have provided you with a line describing the current the status (under report heading 'Status') of each project in the Quarterly Report, to be updated regularly with the most current information on the status of each project.

If you require any additional information, please contact me (355-6961) or Mr. Parra (355-6955) at your convenience.

SUMMARY

TOTAL PROJECT EXPENDITURE
(ALL PROJECT COSTS)

SECTION A

TOTAL PROJECT EXPENDITURES (SUMMARY)

SECTION A

	ORIGINAL BUDGET AMOUNT	REVISED PROJECT BUDGET	TOTAL EXPEND. (TO DATE)	REMAINING EXPEND.	PROGRAM BUDGET BALANCE		LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT
SECTION B									
First Bond Issuance (Project Costs):	90,287,090	60,357,443	19,235,577	34,121,899	9,929,949	+	44,439,152	=	51,385,799
Additional Prop A Projects (Project Costs):	0	0,738,929	5,770,780	988,049	-9,739,929				
Program Management Costs (Issuance I):		3,190,818	1,145,934	2,044,991					
Total First Bond Issuance:	80,287,090	80,287,090	23,152,192	37,134,997	0	+	44,430,152	=	44,430,152
SECTION C									
Second Bond Issuance (Project Costs):	29,712,910	18,973,405	909,425	18,093,879	10,739,504	+	2,514,772	=	13,284,270
Additional Prep A Projects (Project Costs):	0	7,900,545	5,221,135	2,370,410	-7,900,545				
Program Management Costs (Issuance II):		3,130,959	1,325,938	1,813,022					
Total Second Bond Issuance:	20,712,910	29,712,910	7,459,407	22,259,412	0	+	2,544,772	=	2,514,772
Total Project Expenditures (Issuance I & II):	90,000,000	90,000,000	30,808,090	50,391,309	0	+	46,980,924	=	46,980,924
SECTION D									
Additional Proposition A Projects (Project Costs):	0	7,970,415	5,872,414	2,098,000	-7,970,415				
Estimated Interest Earnings:	4,595,000								
Three Year Projected Salary Costs:		9,000,000							
Total Project Expenditures (All Project Costs):	94,595,090	103,970,415	36,481,105	67,489,310	-9,405,416	+	46,980,924	=	37,575,509

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SECTION B

FIRST BOND ISSUANCE
(PROJECT COSTS)

FIRST BOND ISSUANCE

Project Costs

PROJECT	SCHOOL	DESCRIPTION		A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE)	D (B - C) PROJECTED REMAINING EXPEND.	E (A - B) PROGRAM BUDGET BALANCE	LEVERAGE/ STATE GRANT	PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Info Footnote Ref. #
1578	A.P. GIANNINI MS	Science Lab Upgrade	SL	273,531	203,787	2,022	200,884				Under Design	
1883	A.P. GIANNINI MS	Technology/Electrical	TEC	427,208	417,308	1,000	416,308				Under Construction	
		SUBTOTAL:		700,737	621,098	3,922	617,173	78,840 +	0 =	78,840		
1408	ABRAHAM LINCOLN HS	Leroy Greene/Prop A	LGA	333,333	184,230	80,178	104,081				Complete	
1880	ABRAHAM LINCOLN HS	Science Lab Upgrade	SL	957,358	861,551	33,802	827,752				Under Design	
PA_01	ABRAHAM LINCOLN HS		TEC	363,410	0	0	0				(Compl./State Fund)	1
		SUBTOTAL:		1,654,102	1,045,782	113,979	931,813	608,308 +	0 =	608,309		
2037	ALAMO ES	Technology/Electrical	TEC	259,858	120,014	3,449	116,565				Awaiting Bid/Award	
		SUBTOTAL:		259,858	120,014	3,448	116,565	139,844 +	0 =	139,844		
1509	ALICE FONG YU ES	New School Building	NS	4,525,765	4,525,765	259,518	4,266,245				Awaiting Bid/Award	
		SUBTOTAL:		4,525,765	4,525,765	259,519	4,266,245	0 +	0 =	0		
1808	ALVARADO ES	Technology/Electrical	TEC	274,188	66,100	53,717	12,383				Complete	
		SUBTOTAL:		274,188	66,100	53,717	12,383	208,087 +	0 =	208,087		
0119	APTOS MS	Modernization (U/G)	LGA	0	214,848	185,829	29,318				Under Design	
PA_03	APTOS MS		SL	307,723	0	0	0				(Prop A/State Funded)	2
PA_04	APTOS MS		TEC	522,180	0	0	0				(Prop A/State Funded)	2
		SUBTOTAL:		829,903	214,848	185,829	29,318	614,956 +	2,332,055 =	2,947,011		
1593	ARGONNE CC	New School Building	NS	3,000,000	2,275,783	98,605	2,177,178				Awaiting Bid/Award	
		SUBTOTAL:		3,000,000	2,275,783	98,605	2,177,178	724,216 +	0 =	724,216		
0122	ARGONNE ES	Technology	TEC	105,732	254,693	176,189	78,503				Complete	
		SUBTOTAL:		105,732	254,683	176,189	78,503	-148,981 +	0 =	-148,981		
10019	BALBOA HS	Auto Shop Clean-up	LGA	0	7,400	0	7,400				Under Design	
1581	BALBOA HS	Science/Tech Lab Upgrade	LGA	333,333	1,678,558	310,289	1,368,269				Under Construction	
1738	BALBOA HS	Door Replacement	LGA	0	418,408	289,752	128,655				Under Construction	
3081	BALBOA HS	Balboa Child Care	LGA	0	10,000	0	10,000				Under Design	
PA_05	BALBOA HS		SL	782,574	0	0	0				(Compl./State Fund)	1

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PROGRESS REPORT AS OF OCTOBER 1999

PROJECT	SCHOOL	DESCRIPTION		A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE)	D (B - C) PROJECTED REMAINING EXPEND.	E (A - B) PROGRAM BUDGET BALANCE	LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Info Footnote Ref #
PA_06	BALBOA HS		SIC	820,000	0	0	0					(Prop A/State Funded)	2
PA_07	BALBOA HS		TEC	714,468	0	0	0					(Prop A/State Funded)	2
		SUBTOTAL:		2,450,373	2,112,448	600,041	1,512,404	337,928 +	1,132,820	=	1,470,747		
1722	BENJAMIN FRANKLIN MS	Technology/Electrical	TEC	447,163	348,092	29,144	318,948					Awaiting Bid/Award	
		SUBTOTAL:		447,163	348,092	29,144	318,948	99,071 +	0	=	99,071		
1820	BUENA VISTA ES	Technology/Electrical	TEC	195,107	156,786	14,669	142,117					Under Construction	
		SUBTOTAL:		195,107	156,786	14,669	142,117	38,320 +	0	=	38,320		
10104	BURNETT CC	Technology/Electrical	TEC	0	1,041	0	1,041					Awaiting Bid/Award	
		SUBTOTAL:		0	1,041	0	1,041	-1,041 +	0	=	-1,041		
1821	CABRILLO ES	Technology/Electrical	TEC	223,335	230,767	183,359	47,407					Complete	
		SUBTOTAL:		223,335	230,767	183,359	47,407	-7,432 +	0	=	-7,432		
0810	CLAIRE LILIENTHAL (K-2)	Claire Lilienthal Reconstructio	LGA	0	20,737	18,643	2,094					Complete	
1033	CLAIRE LILIENTHAL (K-2)	Prop A/State Funds	LGA	4,000,000	4,586,864	2,728,823	1,880,040					Complete	
		SUBTOTAL:		4,000,000	4,607,601	2,747,466	1,882,134	-607,601 +	1,393,344	=	785,743		
1728	CLAIRE LILIENTHAL ES (3 - 8)	Technology/Electrical	TEC	215,901	177,338	15,405	161,930					Awaiting Bid/Award	
		SUBTOTAL:		215,901	177,338	15,405	161,930	38,564 +	0	=	38,564		
1822	CLARENDON ES	Technology/Electrical	TEC	201,267	165,817	15,031	150,786					Awaiting Bid/Award	
		SUBTOTAL:		201,267	165,817	15,031	150,786	35,449 +	0	=	35,449		
1823	CLEVELAND ES	Technology/Electrical	TEC	223,335	273,371	122,456	150,914					Complete	
		SUBTOTAL:		223,335	273,371	122,456	150,914	-50,036 +	0	=	-50,036		
2040	DANIEL WEBSTER ES	Technology/Electrical	TEC	224,385	86,360	2,980	83,380					Awaiting Bid/Award	
		SUBTOTAL:		224,385	86,360	2,980	83,380	138,025 +	0	=	138,025		
1508	DOWNTOWN HS	Science Lab Upgrade	SL	193,751	154,580	3,391	151,189					Complete	
1715	DOWNTOWN HS	Technology/Electrical	TEC	232,159	153,937	15,304	138,633					Awaiting Bid/Award	
		SUBTOTAL:		425,910	308,517	18,695	289,822	117,422 +	0	=	117,422		
0224	DR. WILLIAM COBB ES/CC	Modernization (L/G)	LGA	0	15,281	14,199	1,082					Under Construction	
PA_08	DR. WILLIAM COBB ES/CC		TEC	194,277	0	0	0					(Prop A/State Funded)	2

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PROJECT	SCHOOL	DESCRIPTION		A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE)	D (B - C) PROJECTED REMAINING EXPEND.	E (A - B) PROGRAM BUDGET BALANCE	LEVERAGE/ STATE GRANT	PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Info Footnote Ref #
		SUBTOTAL:		194,277	15,281	14,199	1,082	178,996 +	787,184 =	966,170		
1019	E.R. TAYLOR ES	Technology/Electrical	TEC	261,453	247,073	26,386	220,686				Awaiting Bid/Award	
		SUBTOTAL:		261,453	247,073	26,386	220,686	34,380 +	0 =	34,380		
1550	EL DORADO ES	Modernization (U/G)	LGA	0	57,973	35,792	22,180				Under Design	
PA_11	EL DORADO ES		TEC	223,335	0	0	0				In Planning	
		SUBTOTAL:		223,335	57,973	35,792	22,180	165,362 +	1,266,714 =	1,432,076		
0232	EVERETT MS	Modernization (U/G)	LGA	0	111,556	54,523	57,034				Under Design	
PA_13	EVERETT MS		SL	193,751	0	0	0				(Prop A/State Funded)	2
PA_14	EVERETT MS		TEC	488,174	0	0	0				(Prop A/State Funded)	2
		SUBTOTAL:		681,925	111,556	54,523	57,034	570,367 +	3,217,010 =	3,787,377		
1807	FAIRMOUNT ES	Technology/Electrical	TEC	252,394	187,633	141,757	45,876				Complete	
		SUBTOTAL:		252,394	187,633	141,757	45,876	64,760 +	0 =	64,760		
0204	FRANCISCO MS	Modernization (U/G)	LGA	0	53,808	13,151	40,656				Under Design	
PA_16	FRANCISCO MS		SL	307,723	0	0	0				(Prop A/State Funded)	2
PA_17	FRANCISCO MS		TEC	426,963	0	0	0				(Prop A/State Funded)	2
		SUBTOTAL:		734,686	53,808	13,151	40,656	680,877 +	2,810,758 =	3,491,635		
1636	G. MOSCONE/L. AMERICAS ES/CC	Technology/Electrical	TEC	56,686	320,619	249,760	71,059				Complete	
		SUBTOTAL:		56,686	320,619	249,760	71,059	-263,933 +	0 =	-263,933		
1706	G. WASHINGTON CARVER ES	Technology/Electrical	TEC	252,394	197,802	16,635	181,167				Awaiting Bid/Award	
		SUBTOTAL:		252,394	197,802	16,635	181,167	54,591 +	0 =	54,591		
1872	GALILEO HS	Modernization (U/G)	LGA	333,333	1,760,458	11,245	1,749,213				Under Design	
PA_18	GALILEO HS		SL	714,192	0	0	0				(Prop A/State Funded)	2
PA_19	GALILEO HS		SIC	800,000	0	0	0				(Prop A/State Funded)	2
PA_20	GALILEO HS		TEC	876,774	0	0	0				(Prop A/State Funded)	2
		SUBTOTAL:		2,727,299	1,760,458	11,245	1,749,213	966,840 +	7,275,581 =	8,242,421		
1606	GARFIELD ES	Technology/Electrical	TEC	216,071	230,160	173,372	56,787				Complete	
		SUBTOTAL:		216,071	230,160	173,372	56,787	-14,089 +	0 =	-14,089		
1580	GEORGE WASHINGTON HS	Science Lab Upgrade	SL	1,269,230	917,282	10,240	907,042				Under Design	
1661	GEORGE WASHINGTON HS	Technology/Electrical	TEC	1,222,790	952,754	53,654	899,099				Awaiting Bid/Award	
1580	GEORGE WASHINGTON HS	Science Lab Upgrade	SL	0	93,440	0	93,440				Under Design	

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10/19/99 (DRAFT)

PROGRESS REPORT AS OF OCTOBER 1999

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		SUBTOTAL:		2,522,020	1,963,482	63,894	1,899,587	558,537	+	0	=	558,537		
1609	GOLDEN GATE ES	Technology/Electrical	TEC	259,659	226,282	172,182	54,099						Complete	
		SUBTOTAL:		259,659	226,282	172,182	54,099	33,376	+	0	=	33,376		
10080	GRATTAN ES/CC	Technology/Electrical	TEC	230,599	102,953	3,063	99,890						Awaiting Bid/Award	
		SUBTOTAL:		230,599	102,953	3,063	89,890	127,646	+	0	=	127,646		
0214	GUADALUPE ES/CC	Modernization (U/G)	LGA	0	207,301	30,013	177,288						Under Design	
PA_24	GUADALUPE ES/CC		TEC	208,806	0	0	0						(Prop A/State Funded)	2
		SUBTOTAL:		208,806	207,301	30,013	177,288	1,504	+	1,311,000	=	1,312,504		
1576	HERBERT HOOVER MS	Science Lab Upgrade	SL	273,531	236,658	17,921	218,037						Under Design	
1884	HERBERT HOOVER MS	Tecnology/Electrical	TEC	456,059	466,417	1,000	465,417						Awaiting Bid/Award	
		SUBTOTAL:		729,590	702,975	18,921	684,054	26,614	+	0	=	26,614		
0271	HILLCREST ES	Hillcrest ES (Imp. Plan)	LGA	0	38,807	19,469	19,338						Payments Pending (HS)	
10186	HILLCREST ES	Modernization (U/G)	LGA	0	62,604	22,077	40,126						Under Design	
1728	HILLCREST ES	Technology/Electrical	TEC	281,453	298,239	19,619	278,720						Awaiting Bid/Award	
		SUBTOTAL:		281,453	397,601	61,665	338,185	-116,398	+	1,484,960	=	1,368,561		
1719	HORACE MANN ACADEMIC MS	Technology/Electrical	TEC	386,705	275,019	26,378	248,641						Awaiting Bid/Award	
		SUBTOTAL:		386,705	275,019	26,378	248,641	111,685	+	0	=	111,685		
1587	IDA B. WELLS HS	Science Lab Upgrade	SL	357,068	250,933	187,344	59,588						Complete	
1624	IDA B. WELLS HS	Technology/Electrical	TEC	220,082	181,208	147,045	47,163						Complete	
		SUBTOTAL:		577,770	451,141	344,389	106,751	126,630	+	0	=	126,630		
1610	INTERNATIONAL STUDIES HS	Technology/Electrical	TEC	280,318	231,317	175,827	55,488						Complete	
		SUBTOTAL:		280,318	231,317	175,827	55,489	49,000	+	0	=	49,000		
1565	J. EUGENE MCATEER HS	Science Lab Upgrade	SL	882,354	864,843	19,073	845,769						Awaiting Bid/Award	
1625	J. EUGENE MCATEER HS	Technology/Electrical	TEC	788,151	702,931	598,212	103,718						Complete	
PA_25	J. EUGENE MCATEER HS		CC	50,000	0	0	0						(Combine Prop A Projects)	4
		SUBTOTAL:		1,710,505	1,367,774	618,286	749,488	342,730	+	0	=	312,730		
1578	JAMES LICK MS	Science Lab Upgrade	SL	183,751	155,266	1,257	154,009						Complete	
1710	JAMES LICK MS	Technology/Electrical	TEC	564,507	286,165	36,781	249,374						Awaiting Bid/Award	
		SUBTOTAL:		750,258	441,431	38,048	403,383	310,026	+	0	=	310,026		

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1811	JEAN PARKER ES	Technology/Electrical	TEC	111,773	23,952	11,195	12,758						In Planning	
		SUBTOTAL:		111,773	23,952	11,195	12,758	87,821	+	0	=	87,821		
1707	JOHN MUIR ES	Technology/Electrical	TEC	325,041	220,648	21,424	199,224						Awaiting Bid/Award	
		SUBTOTAL:		325,041	220,648	21,424	199,224	104,392	+	0	=	104,392		
10092	JOHN SWETT ES	Technology/Electrical	TEC	212,242	67,320	3,819	63,501						Awaiting Bid/Award	
		SUBTOTAL:		212,242	67,320	3,819	63,501	144,922	+	0	=	144,922		
1813	JOHN YEHALL CHIN ES	Technology/Electrical	TEC	194,277	191,324	140,047	51,277						Complete	
		SUBTOTAL:		194,277	191,324	140,047	51,277	2,952	+	0	=	2,952		
1812	LAFAYETTE ES	Technology/Electrical	TEC	288,718	221,591	34,548	187,042						Complete	
		SUBTOTAL:		288,718	221,591	34,618	187,042	67,128	+	0	=	67,128		
10182	LOWELL HS	Tem Portable Installatio	LGA	0	112,000	0	112,000							
1590	LOWELL HS	New Building/Renovation	LGA	3,550,338	3,556,338	291,320	3,265,015						Under Design	
PA_32	LOWELL HS		SL	217,108	0	0	0						Under Design	
PA_45	LOWELL HS		TEC	121,932	0	0	0						(Prop A/State Funded)	2
		SUBTOTAL:		3,895,378	3,668,338	291,320	3,377,015	227,040	+	9,222,269	=	9,449,309	(Prop A/State Funded)	2
1577	LUTHER BURBANK MS	Science Lab Upgrade	SL	307,723	371,127	10,287	360,839						Under Design	
1725	LUTHER BURBANK MS	Technology/Electrical	TEC	522,180	341,651	24,052	317,598						Awaiting Bid/Award	
		SUBTOTAL:		829,903	712,778	34,340	678,438	117,124	+	0	=	117,124		
10177	MARINA MS	Portable Installation	CC	0	58,474	0	58,474						Under Design	
1579	MARINA MS	Science Lab Upgrade	SL	273,531	229,119	3,567	225,551						Under Design	
		SUBTOTAL:		273,531	287,593	3,567	284,028	-14,062	+	0	=	-14,062		
8148	MISSION HS	Modernization (U/G)	LGA	1,100,000	397,856	59,933	338,224						Complete	
1582	MISSION HS	Science Lab Upgrade	LGA	440,660	1,223,728	1,183,626	39,800						Under Construction	
PA_34	MISSION HS		TEC	789,542	0	0	0						(Compl /State Fund)	1
		SUBTOTAL:		2,340,202	1,621,584	1,243,559	378,025	718,617	+	4,372,943	=	5,091,560		
PA_48	NEW TRADITIONS ES		TEC	178,747	0	0	0						(Compl /State Fund)	1
		SUBTOTAL:		178,747	0	0	0	178,747	+	0	=	178,747		
1591	PARKSIDE ES/CC	Prop A/State Funds	LGA	4,090,630	4,090,630	315,335	3,775,294						Under Design	
		SUBTOTAL:		4,090,630	4,090,630	315,335	3,775,294	0	+	3,000,000	=	3,000,000		

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PROJECT	SCHOOL	DESCRIPTION		A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE)	D (B - C) PROJECTED REMAINING EXPEND	E (A - B) PROGRAM BUDGET BALANCE	LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Info Footnote Ref. #
1815	PHILIP & SALA BURTON HS	Technology/Electrical	TEC	088,303	557,950	382,488	175,469					Close Out Phase	
PA_35	PHILIP & SALA BURTON HS		CC	50,000	0	0	0					(Combine Prop A/Projects)	4
PA_36	PHILIP & SALA BURTON HS		SL	717,970	0	0	0					(Compl /District Funds)	3
		SUBTOTAL:		1,430,279	557,950	302,400	175,409	878,322 *	0	=	070,322		
1723	POTRERO HILL MS	Technology/Electrical	TEC	392,957	269,725	25,011	244,114					Awaiting Bid/Award	
		SUBTOTAL:		392,957	269,725	25,011	244,114	123,231 *	0	=	123,231		
0720	PRESIDIO MS	Modernization (U/G)	LGA	0	00,044	50,460	10,177					Under Design	
10147	PRESIDIO MS	Modernization (U/G)	LGA	0	67,139	0	57,139					Under Design	
PA_37	PRESIDIO MS		SL	273,531	0	0	0					(Prop A/State Funded)	2
PA_38	PRESIDIO MS		TEC	360,172	0	0	0					(Prop A/State Funded)	2
		SUBTOTAL:		639,703	117,783	50,400	67,317	521,919 *	3,517,743	=	4,030,662		
1583	RAOUL WALLENBERG HS	Science Lab Upgrade	SL	471,067	338,144	11,311	320,832					Under Construction	
1818	RAOUL WALLENBERG HS	Technology/Electrical	TEC	288,234	240,410	29,433	210,982					Awaiting Bid/Award	
		SUBTOTAL:		757,301	584,600	40,745	543,815	172,740 *	0	=	172,740		
1818	ROOFTOP (H. MAYEDA CAMPUS)	Technology/Electrical	TEC	137,528	112,000	80,591	31,490					Complete	
		SUBTOTAL:		137,520	112,000	80,591	31,490	25,437 *	0	=	25,437		
1817	ROOFTOP ES	Technology/Electrical	TEC	234,355	228,525	172,290	50,234					Complete	
		SUBTOTAL:		234,355	228,525	172,290	50,234	5,829 *	0	=	5,020		
1713	ROOSEVELT MS	Technology/Electrical	TEC	392,950	273,881	25,900	247,784					Awaiting Bid/Award	
		SUBTOTAL:		392,950	273,884	25,900	247,784	119,205 *	0	=	119,205		
1020	ROSA PARKS ES	Technology/Electrical	TEC	303,247	341,031	254,244	87,387					Complete	
		SUBTOTAL:		303,247	341,031	254,244	87,387	-38,384 *	0	=	-38,384		
1027	S.F. COMMUNITY ES	Technology/Electrical	TEC	160,571	129,380	14,160	115,219					Awaiting Bid/Award	
		SUBTOTAL:		160,571	129,380	14,160	115,219	31,191 *	0	=	31,191		
0220	SANCHEZ ES	Modernization (U/G)	LGA	0	25,202	12,915	12,347					Under Design	
PA_39	SANCHEZ ES		TEC	332,305	0	0	0					(Prop A/State Funded)	2
		SUBTOTAL:		332,305	25,202	12,915	12,317	307,042 *	1,041,751	=	1,348,793		
1740	SCHOOL SUPPLIES WAREHOUSE	Warehouse Building Renovl	SIC	410,000	2,232,155	1,454,387	777,768					Under Construction	
		SUBTOTAL		410,000	2,232,155	1,454,387	777,768	-1,822,155 *	0	=	-1,822,155		

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PROJECT	SCHOOL	DESCRIPTION		A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE	D (B - C) PROJECTED REMAINING EXPEND.	E (A - B) PROGRAM BUDGET BALANCE		LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Intro Footnote Ref. #
1592	SHERIDAN ES	Prop A/State Funds	LGA	6,000,000	5,741,962	4,115,751	1,626,210						Under Construction	
PA_40	SHERIDAN ES		TEC	105,732	0	0	0						(Prop A/State Funded)	2
		SUBTOTAL:		5,105,732	5,741,962	4,115,751	1,626,210	-636,230	+	300,000	=	-336,230		
10098	SHERMAN ES	Technology/Electrical	TEC	289,622	128,273	3,846	124,427						Awaiting Bid/Award	
		SUBTOTAL:		289,622	128,273	3,846	124,427	161,349	+	0	=	161,349		
10099	SPRING VALLEY ES	Technology/Electrical	TEC	0	1,000	0	1,000						Awaiting Bid/Award	
		SUBTOTAL:		0	1,000	0	1,000	-1,000	+	0	=	-1,000		
1828	STARR KING ES	Technology/Electrical	TEC	252,394	208,591	163,081	45,509						Complete	
		SUBTOTAL:		252,394	208,591	163,081	45,509	43,803	+	0	=	43,803		
1829	SUNSHINE HS	Technology/Electrical	TEC	150,209	113,105	15,762	97,342						Under Construction	
		SUBTOTAL:		150,208	113,105	15,762	97,342	37,103	+	0	=	37,103		
1588	THURGOOD MARSHALL HS	Science Lab Upgrade	SL	193,753	166,431	8,396	158,035						Under Construction	
1032	THURGOOD MARSHALL HS	Technology/Electrical	TEC	500,027	253,773	173,122	80,650						Complete	
PA_41	THURGOOD MARSHALL HS		CAP	333,333	0	0	0						(Combine Prop A/Projects)	4
		SUBTOTAL:		1,027,113	420,204	181,519	238,685	606,909	+	0	=	606,909		
1805	TWENTY FIRST CENTURY ES	Technology/Electrical	TEC	254,499	231,086	189,568	41,518						Complete	
		SUBTOTAL:		254,499	231,086	189,568	41,518	23,413	+	0	=	23,413		
PA_42	VISITACION VALLEY ES		TEC	295,882	0	0	0						(Compl /State Fund)	1
		SUBTOTAL:		295,882	0	0	0	295,882	+	0	=	295,882		
1031	WEST PORTAL ES	Technology/Electrical	TEC	36,378	180,972	21,333	185,639						Awaiting Bid/Award	
PA_43	WEST PORTAL ES		SIC	124,500	0	0	0						(Combine Prop A/Projects)	4
		SUBTOTAL:		160,878	180,972	21,333	165,639	-20,094	+	0	=	-20,094		
0221	WILLIAM R. DE AVILA ES	Modernization (U/G)	LGA	0	4,556	0	4,556						Under Design	
PA_44	WILLIAM R. DE AVILA ES		TEC	288,718	0	0	0						(Prop A/State Funded)	2
		SUBTOTAL:		288,718	4,556	0	4,556	284,162	+	0	=	284,162		
3050	YOEY AT BESSIE SMITH CC	Site Renovation	CC	1,000,000	180,750	0	180,750						Under Design	
10185	YOEY AT BESSIE SMITH CC	Renovation Phase II	CC	0	220,000	0	220,000						Awaiting Bid/Award	
		SUBTOTAL:		1,000,000	400,750	0	400,750	599,250	+	0	=	599,250		

1997 PROPOSITION A (Quarterly Report)

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10/19/99 (DRAFT)

PROJECT	SCHOOL	DESCRIPTION	A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE	D (B - C) PROJECTED REMAINING EXPEND.	E (A - B) PROGRAM BUDGET BALANCE		LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Intro Footnote Ref #
		First Issuance (SUBTOTAL:)	60,287,090	50,357,443	16,235,577	34,121,866	9,929,646	+	44,430,152	=	54,365,798		

1997 PROPOSITION A (Quarterly Report)

PROGRESS REPORT AS OF OCTOBER 1999

PROJECT	SCHOOL	DESCRIPTION		A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE)	D (B - C) PROJECTED REMAINING EXPEND.	E (A - B) PROGRAM BUDGET BALANCE		LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Info Footnote Ref. #

FIRST BOND ISSUANCE

Additional Prop A Projects

PROJECT	SCHOOL	DESCRIPTION		A	B	C	D	E		LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Info Footnote Ref. #
0233	FILIPINO EDUCATION CENTER CC	Filipino Ed. Ctr (Imp. Plan)	IMP	0	78,859	0	78,859						Payments Pending	
	SUBTOTAL:			0	78,859	0	78,859	-78,859	+	0	=	-78,859		
0164	TENDERLOIN ES/CC	New School Building	IMP	0	6,659,970	5,770,780	889,190						Under Construction	
	SUBTOTAL:			0	6,659,970	5,770,780	889,190	-6,659,970	+	0	=	-6,659,970		
		First Issuance (SUBTOTAL:)		0	6,738,829	5,770,780	968,049	-6,738,829	+	0	=	-6,738,829		

1997 PROPOSITION A (Quarterly Report)

PROGRESS REPORT AS OF OCTOBER 1999

FIRST BOND ISSUANCE

Program Management Costs

PROJECT	SCHOOL	DESCRIPTION		A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE	D (B - C) PROJECTED REMAINING EXPEND.	E (A - B) PROGRAM BUDGET BALANCE	LEVERAGE/ STATE GRANT	PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Info Footnote Ref. #
10010	VARIOUS SITES	Double-Click (Computer Consult	IEC	0	22,571	22,571	-0				Complete	
10088	VARIOUS SITES	Admin -- Earl K Howard	HPA	0	14,500	11,502	2,937				Complete	
1070	VARIOUS SITES	Consultant services / MIS	HPA	0	132,500	107,715	24,784				Complete	
1401	VARIOUS SITES	C M Services Luster	HPA	0	840,427	290,719	555,707				Complete	
1402	VARIOUS SITES	C M Services Luster Ae 2	HPA	0	820,341	211,957	608,383				Complete	
1511	VARIOUS SITES	Management Files Earl H	HPA	0	14,000	14,000	0				Complete	
1574	VARIOUS SITES	Program Management Jw	HPA	0	9,334	9,198	135				Complete	
1001	VARIOUS SITES	Prop A Document Scanning	HPA	0	4,000	2,712	1,288				Complete	
1003	VARIOUS SITES	I.H. Review Prop A 97	HPA	0	2,990	0	2,990				Complete	
1034	VARIOUS SITES	Consulting Services	HPA	0	8,800	8,800	0				Complete	
1039	VARIOUS SITES	Scheduling Services 97PA	HPA	0	6,400	4,590	1,870				Complete	
1040	VARIOUS SITES	Program Management Jw	HPA	0	87,000	70,430	10,569				Complete	
1042	VARIOUS SITES	Technology E-Rate Inn	HPA	0	14,800	14,000	0				Complete	
1044	VARIOUS SITES	Review the Districts Technolog	HPA	0	53,000	4,200	49,400				Complete	
1055	VARIOUS SITES	Arch Build. Review PA	HPA	0	8,784	8,784	0				Complete	
1002	VARIOUS SITES	CAMP Computer Consultants	HPA	0	30,000	24,000	14,000				Complete	
1007	VARIOUS SITES	Technology Design Alta I	HPA	0	2,500	2,500	0				Complete	
1008	VARIOUS SITES	Review of Tech CDs Alta I	HPA	0	2,500	0	2,500				Complete	
1070	VARIOUS SITES	Business Development IIIC.	HPA	0	335,702	0	335,702				Complete	
1732	VARIOUS SITES	Technology E-Rate bin	HPA	0	110,000	0	110,000				Complete	
1790	VARIOUS SITES	Document Review	HPA	0	518	517	0				Complete	
2102	VARIOUS SITES	C M Services II	HPA	0	8,224	0	8,224				Complete	
3038	VARIOUS SITES	Double-Click (Computer Consult	IEC	0	14,000	14,000	0				Complete	
3048	VARIOUS SITES	Field Documentation (CAMP)	HPA	0	1,200	0	1,200				Complete	
1073	VARIOUS SITES	Fire Alarm System	HP	0	50,300	0	50,300				Complete	
2012	VARIOUS SITES	Designing FPC Home Web Page	HP	0	8,000	0	8,000				Complete	
1009	VARIOUS SITES	Inspection Services	IIMP	0	6,912	5,148	765				Historic Data	
10117	VARIOUS SITES	Fire Alarm	CAP	0	87,300	38,802	48,497				Complete	
1048	VARIOUS SITES	Support Services Property	CAP	0	28,000	25,435	2,504				Historic Data	
1499	VARIOUS SITES	Site surveys	CAP	0	5,240	5,240	0				Historic Data	
0032	VARIOUS SITES	Value office supplies (Mics)	MIT	0	43,552	33,492	10,000				Historic Data	
10119	VARIOUS SITES	John King Senior Community	UST	0	1,665	1,665	0				Complete	
10002	VARIOUS SITES	Survey Police Academy	HP	0	12,135	3,060	9,069				Complete	
1403	VARIOUS SITES	Building Surveys	HP	0	15,000	0	15,000				Complete	
1500	VARIOUS SITES	CM Services Don Todd	HP	0	261,500	112,099	148,601				Complete	
1505	VARIOUS SITES	C M Services 3DI	HP	0	29,400	29,400	0				Complete	
1540	VARIOUS SITES	Har Building/Vacant Land Appra	HP	0	8,000	8,000	0				Complete	
1549	VARIOUS SITES	Video/Photo Services	HP	0	8,000	5,000	3,000				Complete	
1572	VARIOUS SITES	R F P Sedway Group	HP	0	28,400	23,293	5,100				Complete	
1508	VARIOUS SITES	Property Review	HP	0	8,004	8,004	0				Complete	
1509	VARIOUS SITES	555 Franklin & 601 McAllister	HP	0	9,078	9,077	0				Complete	
1709	VARIOUS SITES	District's ADA Plan	HP	0	10,800	4,954	5,845				Complete	
2000	VARIOUS SITES	Geotechnical Services	HP	0	14,997	8,578	8,419				Complete	

1997 PROPOSITION A (Quarterly Report)

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PROGRESS REPORT AS OF OCTOBER 1999

PROJECT	SCHOOL	DESCRIPTION	A ORIGINAL BUDGET AMOUNT	B REVISED PROJECT BUDGET	C TOTAL EXPEND. (TO DATE)	D (B - C) PROJECTED REMAINING EXPEND.	E (A - B) PROGRAM BUDGET BALANCE		LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT	STATUS	Info Footnote Ref.#
		SUBTOTAL:	0	3,190,818	1,145,834	2,044,981	-3,190,818	+	0	=	-3,190,818		
		First Issuance (SUBTOTAL)	0	3,190,818	1,145,834	2,044,981	-3,190,818	+	0	=	-3,190,818		

1997 PROPOSITION A (Quarterly Report) 10/19/99 (DRAFT)

PROGRESS REPORT AS OF OCTOBER 1999

PROJECT	SCHOOL	DESCRIPTION	TOTAL PROJECT EXPEND	TOTAL EXPEND (TO DATE	REMAINING EXPEND	STATUS

	ORIGINAL BUDGET AMOUNT	REVISED PROJECT BUDGET	TOTAL EXPEND (TO DATE	REMAINING EXPEND	PROGRAM BUDGET BALANCE		LEVERAGE/ STATE GRANT		PROGRAM BALANCE + LEVERAGE/ STATE GRANT
First Bond Issuance (Project Costs)	60,287,090	50,357,443	10,235,577	34,121,660	9,929,646	+	44,430,152	=	54,365,708
Additional Prop A Projects (Project Costs)	0	6,738,829	5,770,780	966,049	-6,738,829				
Program Management Costs (Issuance I)		3,190,610	1,145,634	2,044,981					
Total First Bond Issuance	60,287,090	60,287,090	23,152,192	37,134,897	0	+	44,430,152	=	44,430,152

SFUSD SAN FRANCISCO
UNIFIED SCHOOL DISTRICT
FACILITIES PLANNING & CONSTRUCTION

Memorandum

To:	Alan Gibson, Budget Analyst
CC:	Enrique Navas, CFO
From:	Tim Tronson
Date:	09/10/99
Re:	Advance Expenditures

In accordance with your request, I am providing you with the San Francisco Unified School District's ("District") reasons and information related to advance expenditures of the anticipated proceeds from the General Obligation Bonds (Education Facility Bond, 1997A – San Francisco Unified School District), Series 1999B for educational improvements. The issues are as follows:

1. Since the passage of the Proposition A on June 3, 1997, the District has proceeded with the planning, review and construction of its bond funded projects. Because of the pendancy of the SF 49ers' case and bond counsel's position, the District could not sell the bonds to pay for the projects. Therefore, the District has fronted the costs of these projects from its own fund sources. The District has proceeded with these projects for the following reasons:

   (1) Long planning lead-time (see paragraph 2 below).

   (2) Availability of State funding (see paragraph 3 below).

   (3) Several of the projects affected the health and safety of the District's students and employees. The District intends to use a portion of its bond proceeds for such projects, including structural upgrades of buildings that do not meet current seismic codes.

   (4) Several of the projects improved the ability of students and employees with disabilities to utilize the District's facilities. The District intends to use a portion of its bond proceeds to address facilities issues that limit access to persons with disabilities.

   (5) The implementation of classroom reduction statewide has placed severe constraints on this District's ability to house elementary school children. The average "students per classroom loading schedule" (statewide) has gone from 32 students per classroom to 20 students per classroom. Consequentially, the

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32 students per classroom to 20 students per classroom. Consequentially, the demand for elementary school facilities has exceeded the supply since the District houses far less students on the same school site. In San Francisco, we are accommodating a portion of the student housing needs with the bond proceeds. These projects include the planning and construction of the new Parkside Elementary School, three new academic wings (Sheridan ES, Claire Lilienthal ES, Alice Fong Yu ES), a gymnasium, and an auditorium.

2. The typical overall planning, review and construction process takes 24-36 months, depending on the scope of the project. The District does not go through the City Planning Department, for its plan review process, the construction of facilities, or the completion of improvements. The District goes through the Department of the State Architect (DSA) for its plan review. This process takes approximately six to eight months. In addition to DSA, the District goes through a Department of Education (DEA) review (usually 1-2 months) and a review by the Office of Public School Construction (OPSC) review (2-3 months). The District is also required to plan the site development or improvement in advance of these reviews. This process, depending on the scope of the project, takes from 12-18 months.

During this process, the District retains the services of a professional architect and all of the engineering trades (electrical, mechanical, geo-technical and structural) to complete the project plans and specifications. The District pays for all of these services and the design review as they are completed and in advance of State approval and funding and bidding approval. When this process is finished and the project is placed out to bid, the District awards and funds the completion of the project through a general contractor. The typical construction project runs 12-18 months. Considering the above information, the District had planned and prepared for bid a number of projects that were included within the bond proposal. When the bond passed, these projects were placed out to bid and awarded to general contractors for construction. These projects are currently under construction.

3. As you know, the District intends to utilize bond proceeds, bond interest earnings, and all of its other sources of revenue to build facilities, modernize facilities, augment existing facilities, and complete seismic and technology infrastructure improvements throughout the City and County of San Francisco. Since the passage of the Proposition A on June 3, 1997, the District has proceeded with the planning, review and project application process with the State for seventeen (17) District sites. These 17 projects are shared funding projects, meaning that the State will fund 80% (eighty) of the improvement project and the District will fund 20%. The total value of the improvement work to be completed on the 17 sites is $49,642,466.00. The State's 80% share amounts to $39,713,972.80 with the District's portion equaling $9,928,493.20. The District was anticipating the utilization of the interest earnings from the bond proceeds and other source funds to meet its commitment on these projects. Without the use of these interest earnings from the bond proceeds the District will be unable to proceed with the development of these projects.

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Additionally, State fund grants are limited in both the amount and the duration of availability. If the District had been unable to proceed with the development of these projects by February 1998, it was likely that the District would have lost the State's commitment to fund its 80% share of $39,713,972.80.

Thanks
Tim Tronson

Item 4 - File 99-1870

Department:	Real Estate Department Department of Telecommunications and Information Services (DTIS)
Item:	Resolution authorizing and approving a license renewal for the U. S. Department of Justice for (a) a one rack transmitter at the City's Central Radio Station located on Twin Peaks Boulevard, at Christmas Tree Point, and (b) space for an antenna at Christmas Tree Point, located on Twin Peaks.
Location:	Twin Peaks Boulevard, at Christmas Tree Point
Purpose of License:	Operation by the U.S. Department of Justice (DOJ) of its Federal Bureau of Investigation (FBI) communications equipment used by the FBI for internal communications and surveillance equipment.
Licensee:	U.S. Department of Justice
Licensor:	City and County of San Francisco
Rental Amount Payable by the U.S. Department of Justice to the City:	$2,000 per month or $24,000 per year. The rental cost would increase by an inflation adjustment of up to four percent annually during the five-year term of license.
Increase over Prior Lease:	$1,000 per month, or $12,000 annually, a 100% increase.
Utilities and Services:	Not Applicable
Term of Lease:	Five years, retroactive to October 1, 1999, ending September 30, 2004.
Description:	Since 1988, the United States Department of Justice has occupied space in (a) the City's Central Radio Station for the operation of its Federal Bureau of Investigation communications equipment, and (b) at

the Christmas Tree Point Tower (Tower) for placement of its radio antenna. The City's Central Radio Station and the Tower are located at Twin Peaks.

The proposed resolution would authorize and approve a license renewal for a one-rack transmitter, which is a framework measuring approximately two feet by two feet containing radio transmission components and an external space for a monopole antenna, which is used for transmitting radio signals. According to Mr. Tony DeLucchi, the Director of Property, because of security reasons, the subject premises on Twin Peaks are made available only to local, State, and Federal governmental agencies. DTIS and other governmental agencies maintain sensitive equipment on the premises.

Comments:

1. According to Mr. DeLucchi, because of security reasons, the City's practice is to restrict lease of space in the City's Central Radio Station to governmental agencies. Therefore, it is not practical to competitively bid the subject space, according to Mr. DeLucchi. Mr. DeLucchi has stated that it is in the best interest of the City to renew this license agreement with the U.S. Department of Justice, based upon a sole-source negotiation. Approval of this legislation will permit the FBI, under the U.S. Department of Justice, to continue to utilize the City's Central Radio Station for its communication equipment.

2. The existing lease with the Department of Justice expired on September 30, 1999. According to Mr. Larry Jacobson of the Department of Real Estate, the reason that the legislation for the license renewal is being submitted subsequent to the September 30, 1999, expiration date of the prior license is that it took a considerable time for the U.S. Department of Justice to get approval of the increased rental amount.

3. According to Mr. Jacobson, the proposed rent of $2,000 per month represents fair market value.

Recommendation: Approve the proposed resolution.

Item 5 – File 99-1881

Department: Ethics Commission

Item: Urging the Ethics Commission to study and hold public hearings on a) public financing of candidate campaigns for local elective office and b) other measures, as detailed hereafter, designed to curb the influence of special-interest contributions on public policy and administration; to consider specific components of a public financing measure; to consider other campaign finance reforms designed to reduce the influence of campaign contributions on the design and/or award of City contracts; to consider expanded disclosure requirements for candidates, independent expenditure committees and non-candidate controlled committees; to submit such proposed campaign reform measures as deemed necessary to the voters for voter consideration at the March 2000 primary election; and to study and recommend to the Board of Supervisors methods by which the City and County can provide candidates for public office with cost-effective, direct access to voters.

Description: The proposed resolution urges the Ethics Commission to study and hold public hearings on public financing of candidate campaigns for local elective office and other measures designed to curb the influence of special-interest contributions on public policy.

The proposed resolution also urges the Ethics Commission to consider various specific public campaign financing mechanisms to allocate public funding to local elective campaigns, including partial public funding, full public funding, and matching funds tied to fundraising restrictions placed on candidates.

The proposed resolution also urges the Ethics Commission to consider a prohibition on the submission of bids for City contracts if within the prior one to two years a company, its subsidiaries, subcontractors, officers, directors or principal shareholders have contributed a combined total of more than $1,000 to:

a) a candidate for public office with direct purview over the design and/or award of such City contracts;
b) an independent expenditure campaign for or against a candidate for public office;
c) a registered lobbyist who makes contributions to a) or b) above; or
d) a non-profit corporation controlled by an elected official with direct purview over the design and/or award of such City contracts.

The proposed resolution also urges the Ethics Commission to consider a prohibition on the submission of bids for City contracts if within the prior one to two years a company, its subsidiaries, subcontractors, officers, directors or principal shareholders have contributed a combined total of more than $10,000 to:

a) all candidates for public office with direct purview over the design and/or award of such City contracts;
b) independent expenditure campaigns for or against such candidates; or
c) registered lobbyists who make contributions to a) or b) above.

The proposed resolution also urges the Ethics Commission to consider a prohibition on all campaign contributions by a company holding a City contract, or the subsidiaries or subcontractors of a company holding a City contract, to a candidate for local office who had direct purview over the design and/or award of the City contract during either a) the term of the City contract or b) a two-year period after the contract award, whichever is shorter.

The proposed resolution also urges the Ethics Commission to consider a prohibition on campaign contributions totaling more than $1,000 by the officers, directors, or principal shareholders of a company holding a City contract, or of the subsidiaries or subcontractors of a company holding a City contract, to a candidate for local office who had direct purview over the design and/or award of the contract during either a) the term of the City

contract or b) a two-year period after the contract award, whichever is shorter.

The proposed resolution also urges the Ethics Commission to consider a bid preference for companies submitting bids for City contracts if, within the previous one to two years, such companies, their subsidiaries, officers, directors and principal shareholders have not contributed a combined total of more than $1,000 to:

a) a candidate for local office with direct purview over the design and/or award of such City contracts;
b) an independent expenditure campaign for or against such a candidate;
c) a non-profit corporation controlled by an elected official; or
d) a registered lobbyist who makes contributions to a), b) or c) above

The proposed resolution also urges the Ethics Commission to consider expanded financial disclosure requirements for independent expenditure campaigns and non-candidate controlled committees and measures to provide voters with summaries of campaign fundraising activity.

The proposed resolution also urges the Ethics Commission to submit a ballot proposition to implement reform measures specified in the resolution to the voters at the March 2000 primary election, as the Ethics Commission sees fit.

Lastly, the proposed resolution urges the Ethics Commission to explore methods by which the City can provide candidates for local office with cost-effective direct access to the voters, such as:

a) increased and/or unrestricted space in the voter's handbook;
b) provision of free and/or subsidized web pages accessible through the Department of Elections web page;
c) City-organized campaign forums co-sponsored by non-partisan organizations; and
d) increased access to the cable Government Channel.

Comment: Based on information provided by Ms. Naomi Starkman of the Ethics Commission, other Cities that have adopted similar legislation, Los Angeles, CA, New York, NY and Tucson, AZ have incurred approximate costs per capita, not including administrative costs, ranging from $0.42 for Tucson to $2.20 for Los Angeles, depending on such factors as whether the program provides full or partial campaign financing and how many elective offices are covered by the program in question. In addition, Ms. Starkman states that the estimated costs to the Ethics Commission, to conduct studies and hearings pertaining to the proposed resolution, would be approximately $19,000, and would be absorbed within the current budget of the Ethics Commission.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 6 – File 99-1973

Department: Mayor's Office of Housing (MOH)

Item: Resolution authorizing an application to the California Debt Limit Allocation Committee to permit the issuance of Mortgage Credit Certificates.

Amount: Not to exceed $20,000,000

Description: The Mortgage Credit Certificate (MCC) Program is designed to assist first-time home buyers in purchasing a single-family residence in San Francisco. The program is directed toward individuals and families who would not be able to purchase housing without receiving some financial assistance.

The MCC Program, which is a State-authorized program, provides assistance to first-time home buyers by allowing an eligible home purchaser to take an annual credit against Federal income taxes of a percentage of the annual mortgage interest payments on a single family residence or a duplex (see Comment 2). The percentage rate is established by the entity administering the program locally (in this case, the MOH), but may not exceed 50 percent of the mortgage interest. A home buyer who is awarded an MCC and who is also eligible for a tax credit on the interest expense paid on the mortgage, would still be able to deduct, for Federal income tax purposes, the remaining amount of the annual mortgage interest payments not claimed as a credit against the taxes in the usual manner. By reducing the Federal income tax burden, the home buyer is left with increased disposable income with which to cover mortgage payments.

The proposed resolution would authorize the MOH to submit an application to the California Debt Limit Allocation Committee (CDLAC), the State agency which authorizes the amount of tax-exempt private-activity bonds and mortgage credit certificates which can be issued by local government agencies, for an additional allocation of Mortgage Credit Certificates in an amount not to exceed $20,000,000. In addition, the proposed

resolution, in compliance with CDLAC regulations, would authorize (a) the City to place 0.5 percent (one-half of one percent) of the requested allocation on deposit, in an amount not to exceed $100,000, in connection with the submission of the application to the CDLAC, and (b) the Director of the MOH to certify to CDLAC that such funds are available.

Comments:

1. According to Ms. Maggie Davis-Badger of the MOH, the required $100,000 deposit shall consist of a restriction of cash in the City's Home Mortgage Assistance Fund, which consists of cash accumulated from loan repayments by individuals participating in the City's 1982 First Time Homebuyers Bond Program. Ms. Davis-Badger states that the above-noted deposit is required by CDLAC to ensure that the State requirements for issuing the Mortgage Credit Certificates are met by the local agency, including the requirement that the first Mortgage Credit Certificates provided to program recipients are issued within approximately 90 days of receipt of the allocation of Mortgage Credit Certificates from the State.

2. Ms. Davis-Badger reports that, under the application to be submitted to the CDLAC, and in accordance with Federal Internal Revenue Service (IRS) and CDLAC regulations, the MOH will provide assistance to first-time home buyers by allowing an eligible home purchaser to take an annual tax credit against Federal income taxes of up to 15 percent.

3. According to Ms. Davis-Badger, based on the State formula, the City would receive authority to issue Mortgage Credit Certificates, totaling $33,300,000, or $13,300,000 more than the proposed $20,000,000 allocation amount. Ms. Davis-Badger states that the City expects to assist 167 home purchasers based on an average mortgage amount of $200,000.

4. Ms. Davis-Badger reports that, from 1993 through 1998, the Board of Supervisors has approved resolutions authorizing the MOH to submit applications to the CDLAC, resulting in seven actual allocations approved by the CDLAC, which provided MCC funds from the State to the City, totaling $90,657,075. However, the Budget

Analyst notes that this amount differs from the amount of $71,927,430 on page 2, line 8, of the proposed resolution, and therefore, recommends that the proposed resolution be amended to reflect the correct amount of $90,657,075.

5. As shown in the Attachment, provided by MOH, the City's 1998 Mortgage Credit Certificate Program assisted 146 low to moderate income households with a median household income of $46,716 and a median home purchase price of $190,000, from January 1, 1998 through December 31, 1998. The City's 1999 Mortgage Credit Certificate Program assisted a total of 107 households with a median household income of $43,200 and a median home purchase price of $201,000, from January 1, 1999, through October 20, 1999.

Recommendations:

1. Amend the proposed resolution by substituting $90,657,075 for $71,927,430 on page 2, line 8, in accordance with Comment 4 above.

2. Approve the proposed resolution, as amended.

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

MARCIA ROSEN
DIRECTOR

MORTGAGE CREDIT CERTIFICATE PROGRAM
STATISTICAL PROFILE AS OF DECEMBER 31, 1998

Total number of households assisted: 110 MCCs issued
32 Commitments Issued
4 Cancelled

Total: 146

Median Household Income: $46,716 (65% of San Francisco SMSA median for houschold of 4 persons; 81% of median for 2 person household)

Median Purchase Price: $190,000

Median Mortgage Amount: $157,500

Household size breakdown:

1 person	73	(50%)
2 persons	25	(18%)
3 persons	24	(16%)
4 or more persons	24	(16%)
Unknown	0	(0%)

Ethnic breakdown:

White	62 households	(42%)
Asian/Pacific Islander	42	(29%)
African-American	24	(16%)
Hispanic	11	(8%)
Other/decline to state	7	(5%)

Neighborhood breakdown:

Bayview/Hunter Point	22	Mission	6	South of Market	10
Diamond Hts./Sunnyside	22	Outer Mission	23	Upper Market	6
Bernal Heights	5	Ocean View	15	Western Addition	15
Potrero Hill	4	Richmond	1	North Beach/Marina	3
Visitacion Valley	11	Sunset	2	North of Market	1
				Unknown	0

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Attachment

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MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

WILLIE LEWIS BROWN, JR.
MAYOR

MARCIA ROSEN
DIRECTOR

MORTGAGE CREDIT CERTIFICATE PROGRAM
STATISTICAL PROFILE AS OF October 20, 1999

Total number of households assisted:	87 MCCs issued	
	20 Commitments Issued	
	0 Cancelled	
	Total: 107	
Median Household Income:	$43,200	(60% of San Francisco SMSA median for household of 4 persons; 75% of median for 2 person household)
Median Purchase Price:	$201,000	
Median Mortgage Amount:	$154,000	

Household size breakdown:	1 person	51	(48%)
	2 persons	19	(18%)
	3 persons	17	(15%)
	4 or more persons	20	(19%)
	Unknown	0	(0%)

Ethnic breakdown:	White	45 Households	(42%)
	Asian/Pacific Islander	47	(44%)
	African-American	7	(6.5%)
	Hispanic	1	(1%)
	Other/decline to state	7	(6.5%)

Neighborhood breakdown:

Bayview/Hunter Point	12	Mission	8	South of Market	7
Diamond Hts./Sunnyside	13	Outer Mission	22	Upper Market	3
Bernal Heights	5	Ocean View	11	Western Addition	3
Potrero Hill	7	Richmond	2	North Beach/Marina	0
Visitacion Valley	9	Sunset	1	North of Market	0
				Unknown	4

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Items 7 and 8 – Files 99-1941 and 99-0652

Items	File 99-1941 is a hearing to consider Fire Department Overtime expenditures.
	File 99-0652 is a hearing to consider the cost of transferring paramedic services from the Health Department to the Fire Department.
Comment:	The Budget Analyst has been informed by the Office of the Chair of the Finance and Labor Committee that it is the intention of the Committee to continue these hearings to the Committee's meeting of November 10, 1999.
Recommendation:	Continue the hearings to the Finance and Labor Committee meeting of November 10, 1999.

Harvey M. Rose

cc: Supervisor Yee
Supervisor Bierman
President Ammiano
Supervisor Becerril
Supervisor Brown
Supervisor Katz
Supervisor Kaufman
Supervisor Leno
Supervisor Newsom
Supervisor Teng
Supervisor Yaki
Clerk of the Board
Controller
Legislative Analyst
Matthew Hymel
Stephen Kawa
Ted Lakey